

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

SECOND SESSION—TWENTY SIXTH PARLIAMENT

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TO THE FIFTEENTH DAY OF OCTOBER, 1964, INCLUSIVE

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HOUSE OF COMMONS

Monday, September 14, 1964

The house met at 2 p.m.

INTERNAL ECONOMY COMMISSION

Right Hon. L. B. Pearson (Prime Minister) presented the following message from His Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an order in council appointing Hon. John Robert Nicholson, Postmaster General, Hon. Maurice Sauvé, Minister of Forestry and Hon. William Moore Benidickson, Minister of Mines and Technical Surveys, to act with Hon. George James McIlraith, President of the Queen's Privy Council for Canada and the Speaker of the House of Commons as commissioners for the purposes and under the provisions of the one hundred and forty third chapter of the Revised Statutes of Canada, 1952, intituled: An Act respecting the House of Commons.

BUSINESS OF THE HOUSE

STATEMENT AS TO LEGISLATION TO BE CONSIDERED

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I indicated on Thursday that I would make a short statement today on motions in regard to the business for the next few weeks.

Today, as the house knows, we will be dealing with certain farm legislation, and if that should be completed provision has been made for the rest of the day. After this legislation we will deal with the legislation regarding redistribution. I said on May 15 that we as a House of Commons, would be in default if we failed to provide for redistribution, now long overdue, in accordance with the census taken some three years ago.

After the redistribution legislation, Mr. Speaker, we will introduce legislation arising out of the report of the royal commission on transportation. This is a very important and complex matter and we are anxious to get it to a committee as quickly as possible.

Then, Mr. Speaker, we will introduce legislation to establish a Canada pension plan. A draft of the bill for this purpose is ready. This is one of the most important and complicated legislative measures, I think, ever introduced into this House of Commons. It deals with a new problem, to provide for a federal pension plan which, in conjunction with provincial legislation and with provincial co-operation, can operate as one nation-wide pension system. A careful review of every single clause of this legislation is essential, and careful consultation with the provinces in respect of all these clauses is going on, but the bill will be ready and the review completed when we get to it in the house after the legislation I have mentioned.

Then, Mr. Speaker, from time to time we will have to interrupt the legislative program to deal with supply. By the end of this month we will be half way through the financial year. On Thursday and Friday of this week, therefore, we will deal with estimates. Next Monday there will be a supply motion which will take up Monday and Tuesday, with the one remaining supply motion to be brought forward a week or two later. A week from Thursday and Friday, the 24th and 25th of this month, we will be on estimates again.

Some time in October, if not earlier, the report of the flag committee will be received; that report will be submitted to the house without delay, and a decision will be taken on this matter.

That is the program ahead, always subject, of course, to change if an emergency makes such change necessary.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is the first occasion on which the house has received a report as to the legislation that will be brought before it. I was interested in the reference to redistribution, and I welcome the announcement. However, it is not in accordance with the report that was given by the premier of Saskatchewan to the effect that after having talked over this matter with the Prime Minister, he had been assured that redistribution would not be in effect for the next general election.

In so far as the pension plan is concerned, I think it is rather regrettable that it will not be introduced a little earlier so that a committee of the house could be set up and sit while the house is sitting. As to the question of the calling of supply, certainly that is most desirable. Indeed, when interim supply was asked for in June it was Her Majesty's

loyal opposition that asked that the period of interim supply, fixed at the request of the government at two months, should be increased to three months.

There is the matter of the visit of Her Majesty the Queen, who will be in Ottawa while the house is still in session. Is it intended to have Her Majesty speak to the two houses of parliament? I think this would be a desirable course to follow provided the Queen would not find it unnecessarily tiring and that it would be in keeping with her wishes.

With respect to the flag committee, the Prime Minister has stated that its report will be received in October and the house will then proceed with the matter. I am sure that last evening Canadians as a whole were disturbed by the statement by the Prime Minister in which he predicted that the flag would be one with a maple leaf on it. That is a very strange prediction from a Prime Minister who had just agreed to the setting up of the committee that was to be objective and not dominated in any way. Yet the Prime Minister saw fit to say that he knew what the committee would recommend, apparently knowing in advance the stand to be taken by the Liberal members on that committee.

I think his statement last night in which he announced what the committee would decide before the committee has been constituted was a serious dereliction. It is far removed from what we understood the committee was to be, when the Prime Minister announces in advance to the people of Canada that the committee is going to be set up and that there will be a flag before Christmas. He said that with fervor. He said that it would have a maple leaf thereon.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I am glad to note the degree of applause that comes from the government side of the house. It indicates that this committee, which we had hoped would be impartial, has already been directed by the Prime Minister in so far as the Liberal members are concerned. I protest this very strongly.

Mr. T. C. Douglas (Burnaby-Coquitlam): We are glad to have this outline of legislation which the Prime Minister has placed before the house. There is one slight difference compared with what was announced by the house leader on Friday, who indicated we would be taking the transportation legislation dealing with railway abandonment and railway rationalization before redistribution. It is immaterial to us which order the government wants to follow in dealing with this legislation, but certainly our understanding from the statement of the Minister of Justice on Friday was that the railway legislation would come first. If the government decides to proceed with redistribution before railway legislation, however, we have no objection.

We do not feel we ought to raise the question as to when the flag committee is going to report, nor to join in the battle. We shall leave that fight for the committee rather than have it here in the house. However, we do hope the committee's report will not be introduced until some important matters which need to be dealt with have been passed by the house. We have particular reference to the Canada pension plan, which should be completed, and the national labour code which the Minister of Labour promised to introduce. We hope these matters will be dealt with before we get into a protracted debate on the flag question, in the event that the committee is not able to come up with a virtually unanimous selection of a flag design.

Mr. R. N. Thompson (Red Deer): At this time, Mr. Speaker, I believe it is sufficient to say we welcome the work program announced to us by the Prime Minister. I do not believe it matters too much whether the order in which this work is to be accomplished is the order we had expected. Each of the items mentioned is important so far as our responsibilities in the house are concerned. We welcome the fact that we are going to be able to get at some of them instead of carrying on as we have these past weeks. Rather than enter into any discussion regarding the topics or their order of presentation, I would just say we will be happy to co-operate in every way possible to further the business of this house.

[Translation]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, at the outset of my remarks I should like to take some 30 seconds to congratulate and thank those who took part in the translation of Beauchesne's which was distributed a few days ago. Unfortunately, I was not in Ottawa at that time, as I only came back yesterday. I must also commend the government on what they did to supply us with the French translation of Beauchesne's. We hope that while it helps us to a better understanding of the rules of the house your task will be made easier and everybody will be satisfied.

As for the business of the house proposed to us, it was suggested that we should discuss first the resolution on farm improvement loans. We are quite prepared to help farmers, but we think that the first legislation to be discussed and the only one we should like to have added to the list of priority measures is the one concerning the establishment of a department of agriculture for the east. We believe that such legislation is most urgent and that the Prime Minister (Mr. Pearson) should add it to the priority legislation of the government.

We support the establishment of a department of agriculture for eastern Canada because even if farm loans are being improved, one must realize that there are practically no loans granted in eastern Canada, since this government's farm policy is conceived in terms of western rather than eastern farm needs.

Therefore, if that legislation is to be really useful, we think that to assist farmers the first thing would be to discuss and pass the legislation concerning the setting up of a department of agriculture for eastern Canada, in accordance with the resolution which has been on the order paper for almost two years, that is since the coming to office of this government.

As far as the flag issue is concerned, I must admit that I have been away for four weeks and 250 supposedly intelligent members discussed the question during that time. On my return, four weeks later, I find that nothing has been done. In fact, not only has nothing been done but the issue has been shelved, since it has been referred to a committee. Absolutely nothing has been done during my four weeks of absence.

You will agree that some Canadians must find it surprising, like I do, that no progress has been made in that field and that after two whole months—

[*Text*]

Mr. Rhéaume: We didn't miss you either.

[*Translation*]

Mr. Grégoire: Mr. Speaker, perhaps I have not been missed in the house but I can assure you that I did not miss the Conservative speeches on the flag issue.

Since the Leader of the Opposition (Mr. Diefenbaker) was allowed to digress, I should like to point out to the house that even in England—and one could hardly find a person more English than the English there—several people asked me: "That man called Baker—many of them did not even know his full name—why does he take so much time to discuss the flag issue?"

The English themselves were surprised by the attitude taken in that connection and were wondering which hon. members were talking like that. They thought it was the French speaking members.

Some hon. Members: Order.

Mr. Grégoire: Mr. Speaker, I think the Leader of the Opposition was the first one to digress, since he was allowed to do so. However, I have completed my remarks on this matter.

Before resuming my seat, I should like to ask the Prime Minister if it would be possible to include the resolution on the establishment of a department of agriculture for eastern Canada on the list of priority measures?

[*Text*]

Mr. Pearson: Mr. Speaker, in order to clear up one point which may have led to some misunderstanding about the relation of the redistribution legislation to the transportation legislation, I said arrangements had been made on Friday for dealing with the rest of the day, that is Monday, in case the farm improvement loans legislation passed the resolution stage, namely that we would go on with the transportation legislation; and tomorrow, Tuesday, we would go back to other farm legislation, and if all the farm legislation passed tomorrow we would then go on to the redistribution measure.

Mr. Douglas: On a point of order, Mr. Speaker, I am not objecting to that order of business. I simply point out that as recorded at page 7932 of *Hansard* for Friday last the Minister of Justice indicated that the transportation legislation would follow the farm improvement loans legislation.

Mr. Pickersgill: That is what we are doing.

[*Later:*]

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the fact that a week ago last Friday the Minister of Labour promised that the national labour code legislation would be on the order paper this month, and in view of the fact that the Prime Minister made no reference to it in his line-up of business, can he assure us that the labour code has priority along with the other items he mentioned today?

Report on World Finance Meetings

Right Hon. L. B. Pearson (Prime Minister): It is in the priority list, Mr. Speaker. The fact that I did not refer to it today should not be taken to indicate that we have reduced it in priority in any way.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I have a supplementary question for the Prime Minister.

Does the resolution concerning the establishment of a department of agriculture for eastern Canada also appear on the priority list?

[*Text*]

Mr. Pearson: Yes, Mr. Speaker, we hope to deal with that in the autumn session.

FINANCE

REPORT ON MEETINGS OF WORLD BANK AND INTERNATIONAL MONETARY FUND

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I would like to make a statement regarding the annual meetings of the World Bank and international monetary fund which I attended last week in Tokyo. This is the statement which I promised on August 10 in connection with the release, internationally, of two important studies of world liquidity; the annual report of the monetary fund and the special report of the so-called group of ten.

At the meetings of the monetary fund in Tokyo, discussion centred on the question of world liquidity; that is to say, whether the supplies of gold and foreign exchange available in the form of reserves to governments and central banks are and will continue to be adequate, and whether short and medium term credit arrangements are also satisfactory. In brief, are the basic financial facilities adequate and appropriate to support continuing growth in world trade, investment and employment?

As the representative of Canada I voted in favour of a resolution calling for an enlargement of the international monetary fund. This enlargement would chiefly consist of an equal proportionate increase in the quotas of all member countries. It would also include additional increases in the quotas of a few individual countries which could claim them on the basis of above average increases in their own trade and economic activity.

Canada's quota would, of course, be increased on the first count and in all probability on the second as well. I should remind the house that, in the fund, a country's quota plays a triple role; it is a measure of its access to credit from the fund in time of need; it is a measure of its financial contribution to the fund, and it is a measure of its voting strength in the organization.

It seems likely that the general increase in quotas will be 25 per cent. While this would be acceptable to us we would, as I said in the meeting, have preferred a higher figure. I pointed out in Tokyo that the growth of the fund since its inception has not kept pace with the growth of world trade and payments. The proposed increase would do no more than reduce the gap. Our present quota is $550 million in terms of U.S. dollars. An enlargement of 25 per cent would involve us in a contribution of $137.5 million. Of this, one quarter or $34.4 million would be payable in gold out of our existing gold reserves. These have been rising recently and amounted to $948.8 million at the end of July. The remaining three quarters, amounting to $103.1 million, would be paid in non-interest bearing demand notes of the government of Canada.

I should draw the attention of hon. members to two points. First, our enlarged contribution to the fund will not involve us in any budgetary charge. Second, the approval of parliament will be sought by means of an amendment of the Bretton Woods Agreements Act. The necessary legislation will probably be introduced early next year. We shall, however, await detailed proposals from the executive directors of the fund in Washington, who have been instructed to make a report on the size, timing and method of payment of the quota increases.

This discussion in Tokyo on the subject of world liquidity was both vigorous and illuminating. Depending on their national backgrounds and recent experiences, governments tend to take differing views of the outlook for world liquidity arrangements. However, there seemed to be general agreement on the enlargement of the monetary fund along the lines indicated, also that further studies which are already in hand should be proceeded with. Of particular interest is a study, under the auspices of the group of ten, of the various processes through which international reserve assets, other than gold, are or could be created. These reserve assets can take the form of reserve currencies such as U.S. dollars and sterling, or claims on the monetary fund, or, as some are urging, forms that are entirely new. Canada will continue to be an active participant in this study.

Hon. members will, I know, welcome this forward looking exercise. At the same time they will appreciate that if any new and far reaching powers were going to be bestowed on some international agency, we should have to be very sure of the political acceptability as well as the financial integrity of the agency in question. Canada, with a great stake in international trade and finance, is deeply concerned that international arrangements shall respond fully and adequately to the demands made upon them.

Before concluding may I add a few words about the annual meetings of the world bank. These were also held in Tokyo last week. This bank is the largest single channel of aid to the less developed countries of the world. It raises most of its funds from world capital markets, under the collective guarantee of all the member governments, and re-lends these funds at a slightly higher interest rate. The bank has since its inception been efficiently managed. Although its charges are quite small, its total profits have over the years become substantial. Last year its profits were nearly $100 million.

In Tokyo last week I joined with others in approving a proposal that $50 million of these profits should be turned over as a grant to a subsidiary of the bank known as the international development association. This body makes loans to needy countries on highly concessional terms. In the past all the funds for the I.D.A. have been contributed by 17 of the member governments, including Canada. It is very welcome to have a large subscription from another quarter.

The I.D.A. was founded in response to the growing need of many of the less developed countries for capital from abroad on terms that do not materially add to their balance of payments problems. In this connection I was glad to be able to call the attention of the Tokyo meeting to the terms on which Canadian external aid is now being provided, as outlined in the house by the Secretary of State for External Affairs on November 14 last.

Some minor amendments to the constitution of the world bank were agreed to in Tokyo. In so far as Canada is concerned, these may require amendments in the Bretton Woods Agreements Act. This question will be referred to the Department of Justice and the appropriate amendments, if required, will be introduced into the house at the same time as the amendment relating to the enlargement of our quota in the international monetary fund.

In the biennial elections of the executive directors of both the bank and fund we nominated Mr. A. F. W. Plumptre, assistance deputy minister of finance, and he was re-elected. In addition, he was selected by the officials of the group of ten to be their vice chairman for the following year.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure those of us who have taken some interest in this problem of international liquidity will be very glad to hear the statement of the minister today. I recall that last year on behalf of the Canadian delegation to the interparliamentary union in Belgrade I raised this question; and the gathering there, representing some 60 or 70 countries, gave unanimous support to the demand that there should be a study of this problem.

I note the minister suggests that there has been a certain amount of caution, as is usually the case at any gathering of central bankers, and I can only hope that they are not too cautious as they have often been in the past; because although at the present time it appears that an immediate crisis with regard to international liquidity is not developing as some had feared it might, I think there is every possibility that it will if the world embarks on the sort of development program which it is going to have to embark upon if we are to solve the problem of the gap between the have and the have not countries.

I hope Canada and Canada's representatives will give all support possible to any proposals toward developing a new unit of international exchange when the group of ten have completed their studies. Undoubtedly they will come up with some mechanism in this respect, and I would hope to see Canada in the forefront supporting the proposal.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it is obvious that if Canada contributes approximately $137 million to the world bank to support international liquidity and if three quarters of those $137 million come from demand notes of the government of Canada, that does not represent much of a commitment on our part inasmuch as it does not cost the Minister of Finance anything whatever to sign new government demand notes.

As for the remaining 25 per cent, simply made up of gold standard representations, that is but a transfer of gold bricks which do

not even circulate across the country. The cost to the government, then, is not such a great deal.

But there is one thing though which might make us much more cautious. The Minister of Finance must know it, since the matter has been mentioned in this house. The secret intention of the group of ten is to head more and more toward an international monetary unit. This can be a good thing in itself, if it is used only for international trade. But the consequence is also that only the powerful countries in the field of finance will be able to control this international monetary unit, always at the expense of the small countries which revolve around those powerful nations. Canada is one of them and it should be one of the first to endeavour to protect itself against the creation of an international monetary unit.

We had the opportunity before to warn the Minister of Finance against this danger.

So we are informed that there will be an amendment to the act already passed by the House of Commons and approving those agreements. We are told that this will have to be passed by parliament and it is at that moment that we can try and convince the Minister of Finance to take the necessary steps, especially in view of the agreements which have just been reached in Tokyo, in order to prevent this creation of an international monetary unit which would only result in enabling, even more than today, foreign capitalist countries and big financial interests to have more control over the natural resources of this country.

[*Text*]

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

Hon. Maurice Sauvé (for the Minister of Agriculture) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to introduce a measure to provide for the extension of credit to farm machinery syndicates for the purchase of farm machinery and for the terms and conditions of such loans, the amount of a loan not to exceed 80 per cent of the actual price to the farm machinery syndicate of the farm machinery to be purchased with the loan; and to provide also for the establishment in the consolidated revenue fund of a special account not to exceed $25,000,000 to which shall be charged advances made to the Farm Credit Corporation and to which shall be credited all moneys paid to the Receiver General by the corporation and for other financial provisions in relation to the said fund in connection with the administration of the measure.

[Mr. Grégoire.]

Motion agreed to.

QUESTIONS

(*Questions answered orally are indicated by an asterisk.*)

AIDS TO NAVIGATION, BRITISH COLUMBIA

Question No. 1,660—**Mr. Barnett:**

1. What, for each of the fiscal years commencing with 1920-21, are expenditures made by the marine services branch of the Department of Transport on the seacoast of British Columbia for aids to navigation, including capital and operating costs of visual aids and the operation and servicing of harbour facilities and the provision and maintenance of sea rescue services?

2. What, for each of the fiscal years commencing with 1920-21, are expenditures made by the Department of Transport for the provision and operation of electronic aids to navigation on the seacoast of British Columbia?

3. What, for each of the fiscal years commencing with 1920-21, are expenditures made for the seacoast of British Columbia for the provision and operation of services under the marine regulations branch of the Department of Transport?

Hon. J. W. Pickersgill (Minister of Transport): 1. Aids to navigation and sea rescue service:

1945-46	$ 517,000
1946-47	707,000
1947-48	728,000
1948-49	763,000
1949-50	1,767,000
1950-51	1,289,000
1951-52	934,000
1952-53	1,037,000
1953-54	1,302,000
1954-55	1,200,000
1955-56	2,012,000
1956-57	2,170,000
1957-58	3,032,000
1958-59	4,966,000
1959-60	5,258,000
1960-61	2,303,000
1961-62	3,751,000
1962-63	4,052,000
1963-64	4,233,000

The above figures include the operating and capital costs of aids to navigation and Canadian coastguard vessels, excluding weather ships, based at Victoria and Prince Rupert marine agencies. The details of expenditures for prior years are not available.

2. Radio aids to marine navigation:

1945-46	$ 434,000
1946-47	253,000

1947-48	276,000
1948-49	395,000
1949-50	407,000
1950-51	422,000
1951-52	502,000
1952-53	506,000
1953-54	538,000
1954-55	567,000
1955-56	563,000
1956-57	644,000
1957-58	734,000
1958-59	646,000
1959-60	664,000
1960-61	820,000
1961-62	1,346,000
1962-63	1,046,000
1963-64	635,000

The details of expenditures for prior years are not available.

3. Marine regulations branch:

1945-46	$ 77,000
1946-47	79,000
1947-48	89,000
1948-49	123,000
1949-50	174,000
1950-51	287,000
1951-52	273,000
1952-53	259,000
1953-54	251,000
1954-55	315,000
1955-56	318,000
1956-57	275,000
1957-58	265,000
1958-59	294,000
1959-60	343,000
1960-61	421,000
1961-62	457,000
1962-63	471,000
1963-64	471,000

The details of expenditures for prior years are not available.

FREIGHT HANDLING, NORTH SYDNEY—PORT AUX BASQUES FERRY

Question No. 1,772—**Mr. Scott:**

1. With regard to the new freight ferry service between North Sydney and Port aux Basques, has the government decided whether or not the transfer of freight will be made at the North Sydney end of the ferry or at the Port aux Basques end of the ferry and, if so, what were the considerations which influenced the decision of the government?

2. Has the government made a study as to the economic effects of such decision on the economies of North Sydney and Port aux Basques and, if so, what were the natures of such studies and their conclusions?

3. If the decision in paragraph 1 referred to has not been made, when does the government expect to be able to make an announcement of such decision?

Hon. J. W. Pickersgill (Minister of Transport): 1, 2 and 3. A consequence of the decision to improve the present freight service between North Sydney and Port aux Basques by the substitution of a rail car ferry for existing methods will be the elimination of transfer operations at one of the two ports. Technical and operating considerations strongly favour the use of Port aux Basques for the transfer operations.

Since the difference in gauge is not sufficient to permit an additional narrow-gauge track on the ferry, transfer at Port aux Basques will make possible greater carriage of freight in the vessel by use of the larger gauge equipment. Moreover, Port aux Basques is not subject to ice conditions and is thus accessible in all seasons. Development and use of an alternative mainland port with the transfer facilities involved for use during severe ice conditions would be extremely costly and inefficient. With transfer at Port aux Basques all that is required at an alternative port is the facilities to move the cars on board ship. It is also the case that transfer of freight to Newfoundland coastal service vessels at Port aux Basques can be done directly from mainland cars, thus eliminating the double transfer that would otherwise take place.

The effect on employment would be approximately the same at either port. Since the community of Port aux Basques is almost totally dependant for its existence upon the operations of the ferry service, and since a greater variety of employment is available at North Sydney this additional consideration reinforces the strong technical advantages of making the transfers at Port aux Basques.

The government and the Canadian National Railways are investigating the probable impact of these changes on employment in North Sydney with a view to considering what steps might usefully be taken to ease the effects of the transition which is not expected to take place until 1967, at which time it is expected at least three other ferries will be operating out of North Sydney.

SEAPLANE BASE, ROCKCLIFFE AIRPORT, OTTAWA

Question No. 1,776—**Mr. Thompson:**

Does the Department of National Defence intend to retain Rockcliffe airport as a seaplane base?

Hon. Lucien Cardin (Associate Minister of National Defence): No. Arrangements are be-

ing made to have the seaplane base at Rockcliffe transferred to the Department of Transport.

DEFENCE PRODUCTION CONTRACTS TO ENAMEL HEATING AND PRODUCTS

Question No. 1,783—**Mr. Coates:**

1. What was the dollar value of contracts awarded by the Department of Defence Production to Enamel Heating and Products Limited, for the fiscal years 1959-60, 1960-61, 1961-62, 1962-63, 1963-64 and the estimated value of contracts for 1964-65?

2. What was the employment figure for the above years?

3. What is the present employment at the plant located at Amherst, N.S.?

Hon. C. M. Drury (Minister of Industry): 1. The dollar values of prime contracts awarded by the head office and district offices of the Department of Defence Production to Enamel Heating and Products Limited are as follows:

1959-60	$1,431,492
1960-61	66,952
1961-62	2,558,536
1962-63	378,210
1963-64	1,177,653
1964-65 (April-July 31)	350,583*

*Information on the value of contracts placed in 1964/65 is available only to the end of July. An estimate of the value of contracts placed to the end of the current fiscal year cannot be made since it is the policy of the department to award contracts as the result of competitive tender, wherever possible.

2. The following are the average employment figures for these fiscal years:

1959-60	227
1960-61	235
1961-62	214
1962-63	218
1963-64	234
1964-65	204

(Average for 5 month period April 1 to August 31, 1964).

3. The present employment figure is 180.

C. A. BILLETT—EMPLOYMENT AT H.M.C. "DOCKYARD", ESQUIMALT

Question No. 1,794—**Mr. Chatterton:**

1. What were the exact periods of employment of Mr. Clarence A. Billett in H.M.C. *Dockyard*, Esquimalt, since May, 1954?

2. Did Commodore W. A. Winnett send a registered letter dated December 28, 1962, to Mr. Billett stating that Mr. Billett had used up his sick leave, annual leave and 30 days without pay and, if so (a) as of December 28, 1962, how many days sick leave and annual leave did Mr. Billett have to his credit and how many days of each had he actually used up (b) on December 28, 1962, how many days of leave without pay had Mr. Billett used up?

3. Did Mr. Billett lose his seniority between August 29, 1962 and January 21, 1963 and, if so, on what date and for what reason?

4. (a) What are the names of the persons who were present at Mr. Billett's initial hearing on June 17, 1963 (b) which of these persons gave evidence on Mr. Billett's case, and which of such persons gave evidence under oath (c) how many written statements were filed at the hearing with respect to the charge against Mr. Billett and by whom (d) which of such statements were duly sworn to (e) was Mr. Billett given the chance to cross examine any of the witnesses and, if not, for what reason?

5. (a) What are the names of the persons who were present during the investigation of Mr. Billett's case on June 20, 1963 (b) which of these persons gave evidence on Mr. Billett's case (c) which of such persons gave evidence under oath (d) was Mr. Billett given the chance to cross examine the witnesses and, if not, for what reason?

6. Did Mr. Billett file an appeal against his suspension or dismissal in June, 1963 and, if so (a) before whom was the appeal heard (b) was sworn evidence given during this appeal and by whom (c) was Mr. Billett given the opportunity of being present when his appeal was being considered and, if not, for what reason?

7. Did Mr. Billett file proper grievance papers with respect to his suspension or dismissal in June, 1963 and, if so, what detailed action was taken on his grievance?

8. Have any written adverse reports been filed on Mr. Billett's employment in the dockyard since May, 1954 and, if so (a) on what dates were such reports filed and what was the nature of such adverse reports (b) was Mr. Billett informed as to the contents of any adverse reports and, if so, on what dates; if not, for what reason?

9. (a) What was the reason for Mr. Billett being struck off strength of the dockyard in June, 1963 (b) was Mr. Billett advised in writing as to the reason for such dismissal (c) what was Mr. Billett's status as to seniority in the dockyard in June 1963?

Hon. Lucien Cardin (Associate Minister of National Defence): 1. 29 March, 1954 to 26 June, 1958, (Released—absent over 30 days); 24 April, 1959 to 26 June, 1959, (Laid off—lack of work); 21 July, 1959 to 22 April, 1959, (Laid off—lack of work); 7 September, 1960 to 27 October, 1960, (Laid off—lack of work); 13 December, 1960 to 4 April, 1961, (Laid off—lack of work); 5 January, 1962 to 30 March, 1962, (Laid off—lack of work); 1 May, 1962 to 30 May, 1962, (Laid off—lack of work); 13 August, 1962 to 29 August, 1962, (Laid off—lack of work); 21 January, 1963 to 27 June, 1963, (Laid off—lack of work).

2. Commodore Winnett sent a letter to Mr. Billett on 28 December, 1962, advising him that he had used all his sick leave, annual leave, and, in addition, 30 days leave without pay prior to his release on 26 June, 1958. This letter was not registered. (a) Nil.

146 hours sick leave credits and 13⅓ hours annual leave. (b) At least 30 days.

3. No. In accordance with departmental regulations, Mr. Billett was not entitled to seniority commencing 29 August, 1962. The pertinent regulation states that a casual employee must have at least six months continuous service immediately preceding release.

4. (a) Commander H. B. Bolus, production officer; Mr. A. Francis, a/prod. (Hull); Mr. J. Eriksen, foreman (shop 15); Mr. R. Green, shop steward (shop 15); Mr. D. L. McLarty, scaler and cleaner.

(b) No oral evidence was given, however, sworn statements including one from Mr. D. L. McLarty were read.

(c) 4. Mr. J. E. Austin, commissionnaire; Mr. D. L. McLarty, scaler and cleaner; Mr. J. E. Armour, Victoria machinery depot employee; Mr. H. Hardy, Victoria machinery depot employee.

(d) All.

(e) Yes.

5. (a) Captain E. Revfem, manager ship repair; Mr. A. C. N. Smith, manager civilian personnel; Mr. J. Wolfenden, master attendant; Mr. A. Francis, a/prod. (Hull); Mr. R. Green, shop steward (shop 15); Mr. J. E. Austin, commissionaire; Mr. J. E. Armour, Victoria machinery depot employee; Mr. H. Hardy, Victoria machinery depot employee; Mr. C. A. Billett, Mr. D. L. McLarty, scaler and cleaner.

(b) Written evidence was given by: Mr. J. E. Austin, commissionaire; Mr. D. L. McLarty, scaler and cleaner; Mr. J. E. Armour, Victoria machinery depot employee; Mr. H. Hardy, Victoria machinery depot employee.

(c) None, as the evidence was presented in the form of sworn statements.

(d) Yes.

6. Yes. By letter 24 June, 1963 to commodore superintendent Pacific coast asking for reconsideration and stating that if no reconsideration was given, he (Mr. Billett) intended to take his appeal to Ottawa. (a) (b) and (c). Mr. Billett was advised by letter 27 June, 1963 that the suspension would stand and he was informed that if he intended to appeal the case to the naval secretary, national defence headquarters, he should submit relevant grounds by letter to the commodore superintendent Pacific coast for onward transmittal.

7. No.

8. Yes.

(a) The employee efficiency rating reports completed on 4 September, 1962 and 2 July, 1963 reflected a low average; (b) No, as he had been laid off.

9. (a) Lack of work; (b) Mr. Billett was not dismissed; (c) Mr. Billett did not possess seniority status in June 1963 as he did not have six months unbroken service immediately preceding his release.

*TRAINING COURSES FOR T.C.A. STEWARDESSES

Question No. 1,795—**Mr. Valade:**

1. Are the training courses given to prospective air stewardesses of T.C.A. given in English only and, if so, for what reason?

2. If courses are given in both languages, on what date did this practice commence?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): The management of Trans-Canada Air Lines advise as follows:

1 and 2. The instruction of stewardess trainees is normally conducted in English with, however, such additional instruction in French as individual cases may require. This has been the practice for the past three years.

[*Text*]

*GRADUATION OF T.C.A. STEWARDESSES, MAY, 1964

Question No. 1,815—**Mr. Valade:**

1. At the graduation of air stewardesses in May, 1964, did T.C.A. have "O Canada" sung in English only?

2. How many air stewardesses graduated on that occasion and of that number (a) how many were French speaking (b) how many were English speaking (c) how many were bilingual?

[*Translation*]

Hon. J. W. Pickersgill (Minister of Transport): The management of Trans-Canada Air Lines advise as follows:

1. The members of the stewardess class which graduated on May 23, 1964, sang "O Canada" in English.

2. Seventy three stewardesses graduated from training on May 23, 1964. All graduates were bilingual.

[*Text*]

ARMED FORCES DISPLAY, CENTRAL CANADA EXHIBITION

Question No. 1,822—**Mr. Howe (Hamilton South):**

1. What was the total cost to the government of the armed forces display at the central Canada exhibition of August 1964?

2. How many members of the armed forces were employed at the armed forces display?

3. How many civilians were so employed?

Hon. Lucien Cardin (Associate Minister of National Defence): 1. Cost of moving and in-

stalling display aircraft, transportation and temporary duty for personnel manning the display, $1,162.33.

2. 42.

3. Nil.

HAMILTON, ONT.—FOOD DISTRIBUTION AND PRICING BOARD

Question No. 1,823—**Mr. Howe (Hamilton South):**

1. What are the names of the members of the food distribution and pricing board appointed in Hamilton, Ontario under the Department of Defence Production?

2. What are the qualifications of each of these men?

Hon. C. M. Drury (Minister of Industry): 1 and 2. There is no organization in Hamilton, Ontario, associated with the Department of Defence Production and known as the "food distribution and pricing board". However, in that area to date, persons have been recruited on a stand-by basis to the war supplies agency by the Department of Defence Production to have responsibilities in the event of a nuclear war for the distribution, rationing and price control of food. The individuals concerned have requested that their names not be disclosed.

RECEIVING STATION FOR U.S. WEATHER SATELLITE

Question No. 1,828—**Mr. Mather:**

Is consideration being given to locating a receiving station for the new U.S. weather satellite in British Columbia?

Hon. J. W. Pickersgill (Minister of Transport): No.

GRANTS TO MENTAL HEALTH ASSOCIATION

Question No. 1,831—**Mr. Howe (Hamilton South):**

What assistance, financial or otherwise, has been provided by the federal government to the Canadian mental health association in each of the last five years?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): The assistance provided the Canadian mental health association by the Department of National Health and Welfare consists of formal and informal consultation and collaboration as well as regular financial assistance. The chief of the department's mental health division is a member of the scientific planning council of the association and the public information officer of the division participates as an observer at these meetings. In addition to this technical and scientific assistance, there is collaboration in the production of materials for use by the association in its public education program.

An annual grant of $15,000 is made to this organization.

HOSPITAL CONSTRUCTION GRANTS

Question No. 1,835—**Mr. Howe (Hamilton South):**

In each province, what federal construction grants have been made to hospitals in each of the last five years?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Under the national health grants program, the following hospital construction grants were made to the provinces in the fiscal years 1959-64:

Province	Fiscal Year 1959-60	1960-61	1961-62	1962-63	1963-64
	$	$	$	$	$
Nfld.	199,479	71,350	592,489	633,404	958,929
P.E.I.	132,196	169,579	17,583	133,667	80,498
N.S.	89,249	1,322,765	1,139,928	1,319,249	1,136,907
N.B.	210,259	396,529	350,710	700,200	1,092,846
Que.	4,685,615	4,955,941	4,988,422	5,785,907	5,882,671
Ont.	6,613,966	6,998,643	7,620,395	6,558,364	7,500,482
Man.	535,782	1,200,971	1,191,392	825,066	957,816
Sask.	642,009	803,333	761,446	880,777	1,510,470
Alta.	402,333	322,083	1,328,445	1,694,021	1,973,652
B.C.	1,429,274	1,354,008	1,009,186	1,463,459	880,632
N.W.T.	418	—	—	5,886	21,895
Yukon	—	—	—	—	3,202
	$14,940,580	$17,595,202	$18,999,996	$20,000,000	$22,000,000

GRANTS TO HEALTH LEAGUE

Question No. 1,836—**Mr. Howe (Hamilton South):**

What assistance, financial or otherwise, has been provided by the federal government to the health league of Canada in each of the last five years?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Officers of the Department of National Health and Welfare co-operate with the health league of Canada by providing, on request, data on certain aspects of illness and health in Canada and by suggesting sources of additional information. The department also assists the league in publicizing special programs, such as health week and immunization week, through the publication of appropriate items in departmental periodicals, such as "Canada's Health and Welfare", "Canada's Mental Health" and the "Health Education Bulletin."

An annual grant of $15,000 is made to this organization.

GRANTS TO ASSOCIATION FOR RETARDED CHILDREN

Question No. 1,837—**Mr. Howe (Hamilton South):**

What assistance, financial or otherwise, has been provided by the federal government to the Canadian association for retarded children in each of the last five years?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): The Canadian association for retarded children is assisted by the Department of National Health and Welfare in several ways. There is formal and informal consultation on matters such as research and public information. Officers of the mental health and child and maternal health divisions of the department have served regularly on the association's scientific research advisory board.

Since 1959-60 an annual grant has been made to this organization of $5,000. The estimates for the current year provide for an increase in this grant to $15,000.

GRANT TO COUNCIL FOR RESEARCH IN EDUCATION

Question No. 1,839—**Mr. Webster:**

1. Does the federal government make a contribution to the Canadian council for research in education and, if so, how much?

2. Who has been appointed to organize the scientific secretariat announced on April 30, 1964, by the Prime Minister and how large a staff has been appointed to assist him?

Hon. G. J. McIlraith (President of the Privy Council): 1. No.

2. Professor F. A. Forward assumed the duties of director of the scientific secretariat effective July 1, 1964. To date no other staff has been appointed apart from the provision of a secretary to the director.

LICENSING OF CONTRACTORS FOR INDUSTRIAL RADIOGRAPHY

Question No. 1,842—**Mr. Howe (Hamilton South):**

1. What action is the atomic energy control board taking to control the qualifications and licensing of outside industrial contractors for industrial radiography?

2. What safety regulations does the atomic energy control board prescribe for such contractors?

3. Are these safety regulations enforced and, if so, how are they enforced?

Hon. C. M. Drury (Minister of Industry): 1. Under the atomic energy control regulations no person may obtain or use radioactive materials in Canada without a licence from the atomic energy control board. A licence is not granted to an industrial contractor to use radioactive materials for radiography purposes until the board's advisers in the federal and provincial health departments are satisfied that he has suitable radiography and protective equipment and is experienced in the safe handling of radioactive materials. Moreover, any licence issued contains the condition that no employee be permitted to carry out radiography operations unsupervised until he has received adequate training in the fundamentals of radiation protection and the use of protective equipment as well as training in the use and maintenance of radiography equipment. The board and its advisers accept the Canadian government standards certification as proof of such training and the contractors concerned have been notified that the board will shortly require all radiographers, except those in training, to have such certification.

2. A radiography licence issued by the board requires the licensee to comply with the health and safety provisions of the atomic energy control regulations as well as additional safety precautions recommended by the board's health advisers.

3. These regulations and additional requirements are enforced by officers of the Department of National Health and Welfare, provincial departments of health and provincial departments of labour acting as board inspectors. In addition, the Department of National Revenue (customs) assists the board by preventing the importation of radioactive materials by other than board licensees.

Questions

DESIGNATED AREAS UNDER TAX INCENTIVE PROGRAM

Question No. 1,846—**Mr. Lessard (Lake St. John):**

1. What are the 23 designated areas where new industries have been established?
2. What is the type of industry in each?
3. What is the amount invested in each case?
4. How many jobs were created in each case?

Hon. C. M. Drury (Minister of Industry): 1. The 23 designated areas in which 119 firms have signified their intention of establishing in such a manner as to benefit from the federal tax incentives program are as follows: Brantford, Chatham, Cornwall, Pembroke, Timmins, Wallaceburg, Windsor, Causapscal, Louiseville, Matane, Mont Laurier, Rouyn, St. Jean, Shawinigan, Val d'Or, Campbellton, Minto, St. Stephen, Sussex, Amherst, New Glasgow, Springhill, Blairmore.

These represent a total planned investment of about $280 million and an estimated total employment of 10,344 people.

2. The government is aware of the following types of new industries, grouped by designated area and standard industrial classification, which have started production in reasonable commercial quantities:

Designated Area	Type of industry according to standard industrial classification
Brantford	Metal fabrication
	Machinery
	Transportation equipment
	Electrical products
	Non-metallic minerals
	Miscellaneous
Cornwall	Miscellaneous
Timmins	Wood
Windsor	Metal fabrication
	Electrical
	Transportation equipment
Matane	Transportation equipment
Mont Laurier	Non-metallic minerals
Rouyn	Metal fabrication
St. Jean	Knitted goods
Shawinigan	Textiles
	Paper
	Chemicals
	Miscellaneous
Val d'Or	Wood
Campbellton	Chemicals
St. Stephen	Textiles
Amherst	Clothing
New Glasgow	Wood
Springhill	Food

3 and 4. The government is aware of 28 new industries which have started production in reasonable commercial quantities. These have estimated the following capital investment and employment:

Estimated capital investment	Estimated employment
$ 485,000	12
844,500	52
165,000	10
260,000	12
27,200	15
8,623,000	930
40,000	5
58,800	4
1,472,700	113
764,000	125
7,200	14
86,000	100
20,000	12
121,500	60
140,000	10
75,000	18
105,000	13
90,000	39
54,200	25
55,000	6
41,600	8
300	9
168,000	10
4,256,000	42
90,900	14
67,000	80
78,000	14
346,000	75
$18,541,900	1,827

ROADS TO RESOURCES AGREEMENT WITH NOVA SCOTIA

Question No. 1,848—**Mr. Armstrong:**

1. When will the present roads to resources agreement between Canada and the province of Nova Scotia terminate?
2. What, if any, routes in Guysborough county, N.S., other than the Goldboro Loop road, were proposed by the province for inclusion under this program?
3. What are the routes, in Nova Scotia, constructed or to be constructed under the program?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. March 31, 1966.

2. None.

3. The following routes are contained in the roads to resources agreement with the province of Nova Scotia:

(1) (a) The Cabot Trail, (i) reconstruction from the trans-Canada highway near Hun-

ter's Mount to Findlayson, approximately 12 miles, completed; (ii) reconstruction from the boundary of Cape Breton Highlands national park through Pleasant bay to the boundary of Cape Breton Highlands national park, approximately two miles completed; (iii) reconstruction from the north boundary of Cape Breton Highlands national park through Cape North to the north boundary of Cape Breton Highlands national park near South Harbour, approximately nine miles, completed; (iv) reconstruction from the present end of pavement at Ingonish Beach through north shore, Barachois bridge, North river bridge and St. Ann to the trans-Canada highway near South Haven, approximately 46 miles, completed.

(2) Peggy's Cove road improvement of road from end of pavement at Peggy's Cove to beginning of pavement at Whites lake approximately 13 miles; completed.

(3) Yarmouth Light road, from Yarmouth town limit to Yarmouth Light, approximately seven miles; completed.

(4) Goldboro loop from end of pavement at Goshen through Country Harbour cross roads, Stormont, Goldboro, Seal Harbour, New Harbour and Charo's Cove to highway 16 east of Queensport, approximately 57 miles; not completed.

(5) Hants county shore road from Union Corner near Brooklyn, through Cheverie, Walton, Noel, Maitland, Urbania and Admiral Rock to Shubenacadie, approximately 70 miles; not completed.

(6) Tidnish shore road from highway No. 6 near Amherst through Tidnish and Northport and East Lindon to highway 6 near Port Howe, approximately 31 miles completed.

(7) Arisaig loop from end of pavement near Lismore through Knoydart, McAras Brook, Arisaig, Doctor Brook, Malignant Cove and North Grant to Antigonish town limit, approximately 22 miles; not completed.

(8) Grand Narrows road from end of pavement at Grand Anse through Dundee, West Bay road, Marble Mountain, Orangedale, Iona, Grand Narrows, Shenacadie, Beaver Cove, Boisdale to Barachois harbour, approximately 81 miles; not completed.

(9) Kedgemakooge lake road from Lequile near Annapolis Royal through Graywood, South Milford and Maitland bridge to Kempt, approximately 32 miles; completed.

(10) Long Island road from Freeport to Tiverton, approximately 11 miles; completed.

(11) Cape Blomidon road from Pereau through Blomidon to Cape Split, approximately nine miles; not completed.

(12) Parrsboro shore road from end of pavement at Port Greville to Advocate, approximately 12 miles completed.

(13) Bay St. Lawrence road from Cape North village through Capstick to Neat Cove, together with a spur to Bay St. Lawrence, approximately 17 miles; not completed.

(14) Englishtown road from Barachois bridge through Englishtown to the trans-Canada highway, approximately seven miles not completed.

(15) Blandford loop from East river through Deep Cove, Blandford and Bayswater to end of pavement near Hubbard's, approximately 24 miles; not completed.

(16) Riverport road from end of pavement at LaHave ferry to highway 3 near Dayspring, approximately eight miles completed.

CONFERENCE ON WATER DESALINATION

Question No. 1,850—**Mr. Howe (Hamilton South):**

Has the Canadian government received an invitation from the United States government to participate in the first international symposium on water desalination to be held in Washington in October, 1965 and, if so, has the invitation been accepted?

Hon. Paul Martin (Secretary of State for External Affairs): 1. Yes.

2. Not yet, but departments and other interested private agencies are being consulted.

SPECIAL ASSISTANT TO AGRICULTURE MINISTER

Question No. 1,856—**Mr. Millar:**

Has the Minister of Agriculture engaged a special assistant and, if so (a) what is his name (b) what was his former employment (c) what is his experience and qualifications (d) what are his duties (e) what is his salary (f) what was the date of his engagement?

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

(a) Don Peacock.

(b) Reporter in parliamentary press gallery.

(c) A native of High River, Alberta, Mr. Peacock spent many of his early years in rural Alberta, acquiring a familiarity with agriculture through personal experience as a farm hand. During his 11 years in the parliamentary press gallery, he was at various times responsible for reporting on the activities of the Canada Department of Agriculture and through this acquired background knowledge of its activities.

(d) His duties are to assist the Minister of Agriculture with the various details in-

volved in caring for the interests of all Canadians in the efficient, economic and stable production of food in this country.

(e) $11,800 per annum.

(f) April 20, 1964.

IMPOUNDING OF CATTLE, SUFFIELD EXPERIMENTAL STATION

Question No. 1,864—**Mr. Horner (Acadia):**

With reference to the impounding of livestock by the defence research board at the Suffield experimental station, what was the reason for the increase or decrease in cattle impounded during (a) 1961 (b) 1962 (c) 1963?

Hon. Lucien Cardin (Associate Minister of National Defence): Aerial patrols of the experimental area, which were put into effect in December, 1960 gave more thorough and easier surveillance of the range and resulted in increased pick-ups. It is believed that the decrease is due to the aerial patrols encouraging greater precautions being taken to avoid intrusion of cattle into the restricted area.

FEDERAL EXPENDITURES, CAPE BRETON HIGHLANDS PARK

Question No. 1,874—**Mr. Muir (Cape Breton North and Victoria):**

How much has been expended in wages at the Cape Breton Highlands national park for each fiscal year from 1953 to the present time in the following categories (a) civil servants' salaries (b) prevailing rate employees' wages (i) operation and maintenance (ii) construction work?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Expenditures in wages at the Cape Breton Highlands national park:

	Salaries civil servants	Wages operation and maintenance	Wages construction
1953-54	31,213	99,191	x
1954-55	34,663	95,983	x
1955-56	36,788	100,087	x
1956-57	41,604	114,377	x
1957-58	43,231	121,105	x
1958-59	45,731	124,291	x
1959-60	50,731	151,300	x
1960-61	60,845	159,346	x
1961-62	68,373	158,084	x
1962-63	75,585	171,739	x
1963-64	97,349	176,648	151,305
1964-65 Aug. 31/64	40,147	90,616	43,370

x—Construction wages were not recorded separately between 1953-54 and 1962-63 inclusive.

[Mr. Hays.]

LOW RENTAL HOUSING PROJECT, YARMOUTH, N.S.

Question No. 1,876—**Mr. Crouse:**

1. Was there an agreement between Central Mortgage and Housing Corporation and the town of Yarmouth or Yarmouth Housing Ltd., covering the construction and operation of a low-rental housing community in that town and, if so, was there provision made that these units be rented only to families in a low-income bracket and what would be the income ceiling for admission?

2. In these agreements entered into by Central Mortgage and Housing Corporation and the housing companies, do these ceilings continue to apply when the occupants' income increases and, if so, is eviction taken by Central Mortgage and Housing Corporation or by the housing company?

Hon. J. R. Nicholson (Postmaster General): 1. There are agreements between Central Mortgage and Housing Corporation and Yarmouth Housing Limited covering the construction and operation of two projects containing a total of 56 units built for families of low income. The agreements contain provision that the projects are to be leased to families of low income. The income limit for admission in respect of one of the projects is $2,250 and $2,306 in respect of the second project.

2. In these particular agreements, the income ceiling refers only to the income applicable at the time of the commencement of the lease.

FERRY CONSTRUCTION, CAPE TORMENTINE, N.B.-BORDEN, P.E.I.

Question No. 1,877—**Mr. MacLean (Queens):**

1. Has the design of the ferry to be constructed for operation by the Canadian National railways between Cape Tormentine, New Brunswick and Borden, Prince Edward Island been completed?

2. What firm of naval architects have been engaged in this work?

3. Have tenders been called for the construction of this vessel and, if so (a) what company was the successful bidder (b) where is the ferry being constructed?

4. What is the target date for completion of this vessel?

Hon. J. W. Pickersgill (Minister of Transport): 1. Yes.

2. G. T. R. Campbell & Company, Montreal, Que.

3. Tenders have been called and are due on November 25, 1964.

4. December 1967.

UNEMPLOYED AGE GROUPS, HAMILTON, ONT.

Question No. 1,882—**Mr. Howe (Hamilton South):**

What proportion of the following age groups are presently unemployed in Hamilton, Ontario (a) 15 to 24 years (b) 25 to 34 years (c) 35 to 44 years (d) 45 to 54 years (e) 55 to 65 years?

Hon. C. M. Drury (Acting Minister of Trade and Commerce): Information is not available on the number of unemployed in Hamilton.

UNEMPLOYED AGE GROUPS, CANADA

Question No. 1,883—**Mr. Howe (Hamilton South):**

What proportions of the following age groups are presently unemployed in Canada (a) 15 to 24 years (b) 25 to 34 years (c) 35 to 44 years (d) 45 to 54 years (e) 55 to 65 years?

Hon. C. M. Drury (Acting Minister of Trade and Commerce): Unemployment rates(1) for specified age groups, week ended July 18, 1964, Canada: 15 to 24 years, 7.3; 25 to 34 years, 2.4; 35 to 44 years, 2.0; 45 to 54 years, 2.5; 55 to 64 years, 2.8.

(1)The unemployed as a percentage of the labour force.

QUESTIONS PASSED AS ORDERS FOR RETURNS

VETERANS AFFAIRS, N.B.—CASES TREATED OUTSIDE MILITARY HOSPITAL

Question No. 1,567—**Mr. MacRae:**

1. For the province of New Brunswick, how many cases of war pensioners (all classifications) were operated on or treated medically outside of Lancaster military hospital for the fiscal year ended March 31, 1963 and for the fiscal year ended March 31, 1964?
2. What was the diagnosis and treatment; in what hospital did it take place; and who was the surgeon and attending physician?
3. How were these cases dealt with by the treatment officer and under what rule and regulation was the case accepted or turned down?
4. Who were the treatment officers involved in each case?
5. How many cases were paid for as an emergency and how many were paid who had prior authorization for the so-called elective admission?
6. In how many cases was authorization given after so-called elective admission?

Return tabled.

PUBLIC SERVICE APPOINTMENTS BY ORDER IN COUNCIL

Question No. 1,596—**Mr. MacRae:**

1. Who are the employees of the public service appointed by order in council in receipt of a salary in excess of $18,000 per annum?
2. What is the exact salary of each?
3. What is the position that each fills?

Return tabled.

FISHERIES

REGULATIONS RESPECTING KILLING OF SEALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I think I will direct this question to the Prime Minister. It arises out of an article which appeared in the Toronto *Globe and Mail* entitled "Baby seal killing", and so forth. The article deals with a full page story in the German newspaper *Weekend* circulated in many countries, entitled "This scandal should shock the world". The article suggests that the killing of seals is so cruel and inhumane that action should be taken and that, among other things, letters should be directed to the Prime Minister and to myself in this connection.

I should like to ask the Prime Minister whether he has not received almost an avalanche of letters on this question; and whether under the circumstances, in view of the statement as far back as May last, in answer to questions by myself and other members, that amendments would be made to the law to put an end to this practice which, as described, is dastardly cruel. Among the matters that will be introduced before this session ends will there be legislation to bring about an end to this practice and to improve Canada's image, which cannot but be seriously damaged in this regard.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not seen the article in question in the German *Weekend* magazine, though I will take steps to get a copy of it. My right hon. friend knows that the Minister of Fisheries made a statement in the house, I think it was last week, in which he indicated that action was going to be taken in respect of this matter and that he would make a report to the house shortly in regard to that action. I will be glad to look into the matter along the lines suggested by my right hon. friend.

Mr. Diefenbaker: Mr. Speaker, may I then ask the Minister of Fisheries, now that four or five months have passed since he undertook, in answer to the hon. member for Ontario, to bring in legislation, whether this legislation will be introduced so that this practice which seriously defaces Canada's image will at least be subject to punishment.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as I have stated on numerous occasions in this house, the government and this department are concerned with the practice which has been going on for a number of years in respect of the killing of seals. As I stated in reply to a question by the hon. member for Burnaby-Coquitlam last Thursday, I believe it was, the regulations respecting the killing of seals in Atlantic

waters are under revision, and amendments will be made to the present regulations. For the information of the right hon. gentleman I may say that no legislation is required in this house to amend such regulations; this can be done by order in council.

Mr. Diefenbaker: Mr. Speaker, in so far as these offences are committed within Canada's territorial waters, is the Criminal Code sufficient in the opinion of the minister; and if so, why has not action been taken under the Criminal Code?

Mr. Robichaud: As I have just said, Mr. Speaker, this practice has been going on for a number of years, and this year was the first occasion on which the government made special representations to the industry and to those concerned, and ordered a special survey in order to determine the extent of the excesses which were going on. This matter does not come under the Criminal Code but under fisheries regulations and, as I have said and want to repeat, the regulations will be amended to control the killing of seals, before the opening of the 1965 season.

NATIONAL DEFENCE

LA MACAZA, QUEBEC—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Associate Minister of National Defence regarding the answer he gave to a question asked by my colleague the hon. member for Hamilton South, in connection with the actions of the R.C.A.F. police at La Macaza during certain peace demonstrations there.

In his answer last Friday the minister said that the allegations contained in a certain newspaper article were false. I should like to ask the minister who made this investigation, since I have in my hand a report from persons who participated. The information is that in the first charge by the 100 guards against some 23 demonstrators at the main gate, one young man was dragged by his hair along the road, a girl was kicked between the legs and a number of people were cruelly seized by the chin and by the back of the neck; that in the second attack several persons were kicked in the side, and one young man who participated said "I was jerked about by six guards, stretched out and then literally tossed up into the air over the ditch, and I heard the sergeant in charge of the guards say to the other guards 'This is your last chance to throw them off the road so make it good.' ". Also, those who took part in this demonstration say that the R.C.A.F. police endeavoured to stop pictures being taken of this demonstration and of the attack which they claim was inexcusably brutal.

I therefore want to ask the associate minister who made this investigation, as a result of which he told the house that the statements contained in the article were utterly false.

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I cannot name the exact persons who made the inquiry, but an inquiry was made of the commanding officer at the station, La Macaza From the reports that we have, Mr. Speaker it was quite evident that there had to be at some periods, some contact between the R.C.A.F. police and the demonstrators.

As you perhaps know, what the demonstrators did was to lie in the middle of the road and try to block incoming traffic. Of course the R.C.A.F. police had to pick the people up from the ground, these people automatically went limp, and the police had to take them away from the road. This happened on perhaps two or three occasions when trucks were to come into the station, and in order to bring the number of contacts to the least number possible most of the traffic was directed so that it would come in through the back entrance of the station. Only thre or four trucks or vehicles, if my information is correct, came through the front entrance where the demonstrators were From all the reports we have received, all possible precaution was taken to make sure that none of these demonstrators were hurt.

Mr. Douglas: I have a supplementary question. If, as claimed by those who took part, there was inexcusable brutality, one would hardly expect this to be reported to the minister by those in charge of the station and who were responsible for the guards' actions. I would therefore like to ask, as a supplementary question to the Prime Minister, whether he is prepared to order an investigation by individuals outside the depart- record to protect, in order that those who ment, who have no actions to hide and no claim to have been mishandled will have an opportunity to state their case and we will have an opportunity to see whether or not the kind of brutal treatment which is alleged actually took place, or whether it is purely a figment of somebody's imagination. I hope

the Prime Minister will agree to such an investigation.

Right Hon. L. B. Pearson (Prime Minister): I will look into the matter, Mr. Speaker.

EXTERNAL AFFAIRS

CONGO—SAFETY OF CANADIAN CITIZENS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I am sure the minister joins all of us in this house in our concern for the safety of Canadians who are presently in the Stanleyville area of the communist backed rebel regime in the eastern Congo, particularly those of us who know some of the people personally. Does the minister have any information for us about the safety of the five members of the McMillan family and other Canadians who may be held by rebels in the area?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure the house shares my hon. friend's concern about the safety of Canadians in this particular area. This morning the Canadian embassy in Leopoldville reported, in response to a telegram sent from the Department of External Affairs on Saturday, that the local representative in Leopoldville of the mission of which Rev. Mr. McMillan is a member, reports that to the best of his organization's knowledge Mr. and Mrs. McMillan and their six children are all in Boyulu, a mission post about 100 miles east of Stanleyville. The embassies of the United States and Great Britain are both assuming from these reports that the entire McMillan family is still in this community. None of these sources is aware of the information contained in the radio report of last Saturday. That is the only information I have at the moment.

VIET NAM—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the deteriorating political situation in Viet Nam and the very recent communication the minister has had with the secretary of state of the United States, can he give the house a report on just what the situation is there?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend the member for New Westminster gave me notice of his intention to ask a similar question. I can only say that the events of the past week end have, of course, been of great concern. On the basis of recent information it would appear that General Khanh's government has successfully overcome the recent challenge to his authority, and that this has taken place without bloodshed, loss of life or violence. I had the opportunity of discussing this matter with Mr. Rusk when he kindly visited me this morning in Windsor, but I do not believe there is anything more that I can publicly state now.

CYPRUS—REPORTED DIFFICULTY IN TRANSPORTING RED CROSS SUPPLIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wonder whether the Secretary of State for External Affairs could say a word about the situation in Cyprus. There is a good deal of concern about the fact that there appears to be a blockade with regard to Turkish Cypriots, so that the United Nations are having to use helicopters to get Turkish Red Cross supplies to the people in Kokkina. In view of the fact that a short time ago the Canadian government made money available for Red Cross supplies for the people of Cyprus, are the Red Cross continuing to experience difficulty in getting freedom of movement and freedom of access so that Red Cross supplies can be taken to needy people whether they are Turkish Cypriots or Greek Cypriots?

Hon. Paul Martin (Secretary of State for External Affairs): I have not been informed that the Red Cross have had continuing difficulty. There have been occasions when the Red Cross and other bodies have encountered difficulty, but this has generally been corrected.

CANADIAN CONSTITUTION

CONFERENCE OF ATTORNEYS GENERAL RESPECTING REPATRIATION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to address a question to the Minister of Justice. Can the minister tell the house whether any date has yet been set for the meeting between himself and the attorneys general of the provinces to discuss the repatriation of the Canadian constitution?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the dates of the 1st and 2nd of October have been set aside for that purpose.

Inquiries of the Ministry

Mr. Brewin: A supplementary question, Mr. Speaker. Will the minister assure the house that before the conference meets the house will be informed of the formula for the amendment of the constitution in Canada that the government will put before the provincial representatives?

Mr. Favreau: Mr. Speaker, I shall consider this suggestion and report to the house on the government's decision in this respect.

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. Would the minister also take into consideration providing an opportunity for the house to express its views on the government's proposals to the attorneys general before they are actually presented, so they might have the benefit of the views of the other parties in this parliament?

Mr. Favreau: Mr. Speaker, one way in which this could be done, and it is an apt suggestion, would be for my estimates to be called as early as possible, and I shall arrange for them to be called on the occasion of the first supply motion which has been announced by the Prime Minister.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question to the Minister of Justice?

Could the minister tell us whether the statement made by the hon. member for Drummond-Arthabaska to the effect that it would be impossible and dangerous to revise the constitution reflects the principles and policy of this government?

Mr. Favreau: Mr. Speaker, I did not have the pleasure of hearing the speech of the hon. member for Drummond-Arthabaska, but I will be pleased to read it.

[*Text*]

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO WHEREABOUTS

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister any information to communicate to the house concerning the whereabouts of Hal Banks, our modern day Al Capone?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I had proposed to give the house whatever information we may have gathered some time during this week, but I think that once a week would be quite a good ratio in this respect.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I might ask a supplementary question, Mr. Speaker. Has the minister any information on the repatriation of Banks from the United States? Is he now able to answer the question I have asked several times, namely whether he has ascertained from the United States immigration authorities that Mr. Banks left Canada for the United States? And is the minister now in a position to advise whether counsel for the government have given the government the opinion that on the basis of the fact that the charge against Banks for which he is being sought is conspiracy, if Banks is in the United States no extradition is possible?

Mr. Favreau: Mr. Speaker, in answer to the last part of the question I must say it is the opinion of the Department of Justice that the offences for which Banks is being prosecuted or has been prosecuted are not extraditable offences. As to the first part of the question, I must say that although we have received full co-operation from the United States authorities the latter have not yet been able to define the whereabouts of Mr. Banks.

Mr. Diefenbaker: How long ago did the government of Canada or the Department of Justice realize that once Banks got out on bail on this charge and left Canada, the sole recourse would be the estreatment of the bail bond, and that Banks would have flown and would be entirely free as long as he stayed in the United States?

Mr. Langlois: A supplementary question—

Mr. Diefenbaker: I want to know. There is gross negligence here somewhere, and I want to find out how long it has existed.

Mr. Favreau: In view of the allegation of gross negligence just made by the right hon. gentleman I think I must repeat that at the time Banks asked for bail the department saw to it that counsel objected to any bail at all being granted. When the judge stated it was his intention to grant bail the suggestion was then made that bail ought not to be lower than $50,000. I repeat that everything possible has been done. When the chief justice of the court of appeal exercised his own discretion I think he did so with that sense of honesty and sense of justice for which he is well known.

Mr. Diefenbaker: Mr. Speaker, I have nothing to say about the honesty and integrity

of the chief justice, and I make that clear. However, I ask the minister this question. Did the law officers of the crown say that if Banks was let out on bail on the conspiracy charge and disappeared in the United States, the crown's only recourse would be the estreatment of the bail? Did they say that?

Mr. Favreau: Mr. Speaker, the right hon. gentleman knows or ought to know that the fact that the offences with which the court was concerned at the time the bail was set were not extraditable offences surely was known to the court. I take it that in exercising his discretion the chief justice took all relevant matters into consideration in deciding to fix bail, and the fact that there was strong objection to any bail being set at all is the complete proof and demonstration that all relevant explanations were made to the court at the time.

Mr. Diefenbaker: Mr. Speaker, that does not answer the question. Did the representatives of the crown advise the chief justice that the granting of bail under the circumstances could permit of Banks disappearing and not being subject to punishment? Was the chief justice so advised? After all, judges depend on counsel.

Mr. Langlois: Mr. Speaker, perhaps I might be permitted to put my supplementary question to the Minister of Justice. A few days ago I asked the minister to set up a commission to inquire into the whole Hal Banks situation, having regard to the rumours going around that some members on the government side and high officials are concerned in the whole Banks mess. Would the minister consider forming a committee of inquiry to clean up the whole thing?

Mr. Favreau: Mr. Speaker, there was an investigation set up by the previous government, and a report was remitted to the present administration. So far as I am concerned, I am satisfied that all relevant steps have been taken to see that justice is carried out. I do not believe there is cause for setting up a second investigation. However, I am speaking personally, as Minister of Justice, and I am ready to consult my colleagues on the suggestion.

Mr. H. Russell MacEwan (Pictou): May I ask a supplementary question of the Minister of Justice. Can we take it as a fact that Mr. Banks did not appear today in Montreal in connection with the appeal of his conviction and five year sentence which was before the courts today, September 14?

Mr. Favreau: Mr. Banks did not appear today, Mr. Speaker. The appeal has been postponed until tomorrow, and if Banks does not appear in court tomorrow for the hearing of his appeal, counsel has been instructed to move for the dismissal of the appeal and to take the necessary steps immediately to have the bond forfeited.

GRAIN

MOOSE JAW, SASK.—OPERATION OF GRAIN DRYING FACILITIES

On the orders of the day:

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): On Friday last the hon. member for Moose Jaw-Lake Centre directed a question to the Minister of Agriculture, the full context of which is to be found on page 7879 of *Hansard*. The main part of the question is as follows:

> Will the minister take steps to arrange for the operation of the elevator's grain drying facilities at full capacity so that the tough and damp grain can be put into condition for marketing or storing?

The minister replied he would be happy to bring this matter to the attention of the board of grain commissioners, and I am happy to provide on his behalf the following additional information. The movement of grain into the licensed elevator system comes within the jurisdiction of the Canadian wheat board. In the event the Canadian wheat board orders grain into the government elevator at Moose Jaw, or any other Canadian government elevator, the board of grain commissioners is now prepared to handle that grain which will require drying. Facilities will be available to the full extent of drying capacities.

TRANSPORT

ONTARIO—SHIPPING SPACE FOR BEAN GROWERS

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Transport, and also draw the attention of the Minister of Agriculture and the Minister of Trade and Commerce to it. Perhaps their officials could take note. A week or more ago I informed the Department of Transport of the urgent need for shipping space for the bean growers in southern Ontario, and requested that action be taken in this regard. Can the minister tell me whether any progress has been made to date or is likely to be made in the immediate future? The bean

industry involves over 8,000 growers or about 10,000 acres of well cultivated land in Ontario. The growers are in a position to sell their product to the United Kingdom at a price—

Mr. Speaker: Order, please. Has the hon. member asked his first question, and is this a second question?

Mr. Cardiff: I have a second question.

Hon. J. W. Pickersgill (Minister of Transport): I regret to say that I have not received a progress report from my department. I shall be glad to inquire and I hope to give the hon. gentleman a report tomorrow, and to consider very carefully the further representations he was in the process of making, of which he was good enough to give me a copy.

POWER

NEW BRUNSWICK—POSSIBLE DELAY IN GRANT FOR MACTAQUAC DEVELOPMENT

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): I should like to answer a question asked on Friday by the hon. member for Cumberland, who asked a similar question somewhat earlier of the Prime Minister. The Prime Minister said he would draw it to my attention, and I must apologize to the hon. member for Cumberland for not answering it at the end of last week.

I have given very careful consideration to, and I have discussed with the officials of the Atlantic development board, the question of whether we would be warranted in asking for a reassessment of the decision of the Atlantic development board to assist the Mactaquac power development project in New Brunswick. I might say the board, in its initial examination of the project prior to recommending assistance, considered this project in the context of all potential power sources in the region, having regard to considerations of price, quantity, reliability and the time by which the increased amounts of power could be made available.

The Mactaquac project will come into operation by 1968, by which time the large block that will become available from the project will be urgently required in New Brunswick. It seems to me that in the light of these facts it would be wrong for the Atlantic development board or for this government to take any initiative in this matter, having regard particularly to the fact there is no other known source of power that could be available as early as 1968 for use in the area.

Mr. Robert C. Coates (Cumberland): May I ask a supplementary question. I wonder if the Minister of Transport could indicate whether Premier Smallwood has requested the Atlantic development board for assistance or to do anything about the $20 million that has been allocated for assistance for Baie d'Espoir?

Mr. Pickersgill: No, he has not. I would think, sir, it would be very unwise to have any delay in either of these power projects. We were satisfied, before recommending these very considerable grants, that power from both of them was going to be needed at the time the power would be developed. If the Hamilton scheme should be successful, and I certainly hope it will be, it will depend, of course, upon the export of a very considerable quantity of power to the United States, and the fact that we have this additional power from Baie d'Espoir and Mactaquac will mean we will have that much more developed wealth by that time. I am sure all Canadians, and particularly all members of the house from the Atlantic provinces, will rejoice to know that we will have.

Mr. G. H. Aiken (Parry Sound-Muskoka): I was going to ask the minister if he had a pleasant visit with the premier of Newfoundland over the week end.

Mr. Pickersgill: Yes, I had a very pleasant visit, and I had an opportunity of attending a dinner given by the government of Newfoundland to the general council of the United Church, which was one of the finest functions I have ever attended in my life. However, it hardly seems to be very relevant to the business before the house.

Mr. Thomas M. Bell (Saint John-Albert): May I ask a supplementary question on a political rather than a religious note. Is the Atlantic development board assisting in the survey being conducted with regard to the Hamilton Falls project through the maritimes, and if not would the Atlantic development board assist in this survey? I am sure it is costly to Mr. Smallwood, and it might accelerate the survey if the Atlantic development board could be involved because it is a type of project the Atlantic development board was set up for originally.

Mr. Pickersgill: I am sure the Atlantic development board would have been glad to consider a request for assistance for this

purpose, but no request was made. I am reasonably well informed about the survey that is being made. I believe it is being carried out just as rapidly as it is humanly possible for it to be done, and that additional financial assistance could not speed it up in any way. I understand that the fullest co-operation is being given by the power commissions of Nova Scotia and New Brunswick, and that it is expected that early in October there will be a definite feasibility report, which I must say I hope will be favourable.

Mr. Bell: Does the minister appreciate that my only intention is to try to secure the best I can for Newfoundland?

Mr. Pickersgill: I appreciate that, and I hope the hon. gentleman appreciates I am trying to do the best I can for New Brunswick, too.

AIRPORTS

HAMILTON, ONT.—AVAILABILITY OF FEDERAL FUNDS FOR DEVELOPMENT

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): I should like to answer a question asked by the hon. member for Hamilton South with regard to a meeting with Hamilton municipal officials about the Mount Hope airport. Discussions took place on September 10 between senior officials of the department and representatives of the city of Hamilton regarding the future of the Mount Hope airport. These covered such matters as repair work which might be required, standards of operation and future use of the airport.

As a result of questions raised at the meeting, both sides are to exchange certain further information as a means of determining whether in fact the airport which is being given up by the Department of National Defence could be kept in operation by the city.

AGRICULTURE

TURKEYS—REIMPOSITION OF QUOTAS ON IMPORTS FROM U.S.

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): I have a question for the Minister of Agriculture, but in his absence I would direct it to the acting minister. It has reference to imports of turkeys into Canada from the United States. I might say I have had a number of telegrams on this matter, and possibly the minister has as well. Will he take immediate action to stop the tremendous importation of turkeys from the United States?

Hon. Maurice Sauvé (Acting Minister of Agriculture): Mr. Speaker, I think the minister announced last week that he is having a meeting today or tomorrow with the farmers who raise turkeys, and he will have an announcement to make on his return.

Mr. Pugh: As a supplementary, will the acting minister not agree that immediate and decisive action must be taken now, or is he not at all in conversation with the Minister of Agriculture? Time is of the essence on this question, and I think something should be done along the line of the quotas which were imposed by the previous government and taken off last year by the present administration.

Mr. Sauvé: Mr. Speaker, the minister replied to this proposal, saying he did not feel that quotas needed to be re-established right away, and that he was dealing with this problem by meeting with the people concerned with raising turkeys.

Mr. Pugh: As a further supplementary—

Mr. Speaker: Order, please. It seems to me this question was pretty fully answered on Friday or Thursday of last week. The minister is meeting with a delegation today, and it would be as well to wait until he makes a statement on that meeting.

CANADIAN BROADCASTING CORPORATION

ALLOCATION OF FREE TIME TO POLITICAL PARTIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this question should be addressed to the Secretary of State but in his absence may I direct it to the Prime Minister. In view of the fact that the Prime Minister had a half hour's chat over a national television network last evening with two representatives of the press, and in view of the fact that we understand the Leader of the Opposition is to have the same privilege tonight, may I ask whether similar or proportionate time will be made available by the C.B.C. to the leaders of other parties in the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not of course responsible for the allocation of time by the C.B.C., but I shall be glad to bring my hon. friend's question to their attention at once.

Mr. Knowles: Will the Prime Minister also make it clear to the C.B.C. that in our view fairness requires that this be done?

Mr. Pearson: I shall be glad to add that observation.

DOMINION-PROVINCIAL RELATIONS

INQUIRY AS TO SPEECH BY SECRETARY OF STATE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, may I direct a question to the right hon. Prime Minister. Would the Prime Minister clarify two points made by the Secretary of State in his speech last Wednesday to the Richelieu club of Quebec? My first question is this. When the Secretary of State said, according to *Le Devoir* that—

> —soon the government of Quebec would benefit from 75 per cent of revenue collected in personal income taxes by the federal government—

—was he announcing government policy? Second, when the Secretary of State said, as reported in *Le Devoir*, and again I quote:

> Mr. Lamontagne admitted, nevertheless, that there had not been up to now a serious study of the economic consequences of the independence of Quebec, and that a federal agency, under the privy council, was given the task of examining this aspect.

—may I ask is there a committee of public servants under the direction of the privy council engaged in studying the economic consequences of independence or separation of Quebec, as reported by the Secretary of State?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is too far reaching a question to be dealt with on orders of the day. I suggest that my hon. friend put it on the order paper or else bring it up when the estimates of the Secretary of State's department are under discussion.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, when a minister makes a statement outside the house a member is entitled to ask whether it represents government policy. That is the question that was asked.

Mr. Pearson: Mr. Speaker, if I lost sight of that particular question in the rather long statement of the hon. gentleman, I apologize. Of course the minister was speaking as a member of the government on this question.

Mr. Diefenbaker: On government policy.

[Mr. Pearson.]

VETERANS AFFAIRS

PAYMENT OF ALLOWANCES TO VETERANS AND DEPENDANTS LIVING ABROAD

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Veterans Affairs. Has the minister received a letter and a brief from Commander J. Leslie Harries of London, who is president of the Canadian veterans' association of the United Kingdom, urging amendments to the War Veterans Allowance Act that would make it possible for Canadian veterans living in England and their widows and orphans to receive the allowance without returning to Canada for 12 months. If so, is the government giving consideration to this request?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I certainly received a representation of this type, but it is difficult for me to identify it from memory just at the moment. Consideration is being given to that question.

EDUCATION

STUDENT LOANS—DESIGNATION OF CREDIT UNIONS UNDER ACT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question I would like to direct to the Minister of Finance. My question is based on a letter from the credit union league of Saskatchewan directed to the Minister of Finance under date of September 10 and dealing with the sanctioning of credit unions as approved lenders under the student loans legislation. Why has there been a delay in sanctioning Saskatchewan credit unions with respect to this act, and will the minister see that this situation is rectified at an early date?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I shall be glad to look into the matter.

ONTARIO AND MANITOBA—PROCEDURE IN DEALING WITH APPLICATIONS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, last week we directed several questions to the Minister of Finance, through his parliamentary secretary, dealing with alleged red tape slowing down the applications of students in Ontario. Has the minister looked into this, and was there any substance in the charge?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I did look into it, and possibly I may be permitted to answer the questions fully. First of all, early in the first week of September all the documents necessary for provincial education authorities and for the banks to proceed with the student loans plan were distributed from Ottawa. Second, about 300,000 brochures were sent out at the same time, outlining the basic facts about the plan, for distribution to educational institutions and to bank branches across Canada.

Third, the advertising program in the press and on the radio was begun later that week, that is later in the first week of September, as soon as the machinery was in readiness. This was a tight schedule for everybody concerned but the main goal, which was achieved, was to make the loan plan available to students as soon as possible before the start of the academic year.

I think last week the hon. member for Danforth referred to an article in the Toronto *Daily Star,* which I believe was based on a few isolated instances and which drew the conclusion that the plan was not working smoothly, or that it was involved in red tape. My information is quite different, Mr. Speaker. I have been advised by the responsible authorities in Ontario that organization for the administration of this plan is complete and is functioning well. Reports from other provinces are to the same general effect.

While I am dealing with this question, Mr. Speaker, perhaps I might refer to a point raised by the hon. member for Winnipeg North Centre, who asked about the form used by the authorities in Manitoba by which the students apply for certificates of eligibility. Under the act the provincial authorities must satisfy themselves that the student has attained a satisfactory scholastic standard and is in need of a student loan. The method and procedures by which the provincial authorities satisfy themselves on these points is quite properly a matter for them to decide, and that was provided for in the legislation.

Because of the pressure of time some provinces are using application forms which had been in use for previously existing provincial student loan plans. In the case of Manitoba it is made clear, I am informed, that the parts of the form dealing with the co-signature or guarantor of a loan is not to be used in the case of loans under the Canada Student Loans Act. A part of the application form in Manitoba deals with the financial status of the student, or of his parents if he is still dependent on them. However, I am informed that in no case is the student required to obtain the approval of his parents under the Canada Student Loans Act.

Mr. Stanley Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is there any reason why Manitoba cannot be supplied with copies of the loan application form that appears as schedule B to the regulations under this act, so this confusion can be avoided?

Mr. Gordon: I think this confusion is exaggerated, Mr. Speaker. From the inquiries I have been able to make today I am informed the province has been supplied with these forms.

NATIONAL DEFENCE

REDUCTION IN UNIVERSITY NAVAL TRAINING UNITS

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, may I direct a question to the Associate Minister of National Defence and ask him whether the Department of National Defence has decided to close down, within a month, the Royal Canadian Navy university naval training units at St. Dunstan's University, St. Francis Xavier University and Acadia University, as well as three others in other parts of the country?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I announced in the house last fall at the time our estimates were under consideration that there would be a reduction of 50 per cent in the expenditure for university reserve officers of the three services. This is now being implemented, and this report which appeared in the newspapers refers to just part of the reorganization. Perhaps, under the circumstances, I might take the question as notice and give a full statement of the reorganization tomorrow or the next day.

Mr. MacLean (Queens): A supplementary question, Mr. Speaker. I would like to ask the minister whether in reviewing this situation he will also inform the house how the decision was arrived at as to which units are to be closed down, and whether representations were heard from the universities concerned or from any local representatives.

Mr. Hellyer: Mr. Speaker, I think my full statement will satisfy the hon. gentleman, and perhaps we could leave supplementary questions until he has heard it.

Inquiries of the Ministry

ST. HUBERT, QUE.—POSSIBLE USE AS CIVILIAN AIRPORT

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Associate Minister of National Defence.

Could the minister tell us if his department intends to use the St. Hubert air force base as a civil airport?

If such is the government's intention, when will the base be made available for public use?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I think this question should be put on the order paper.

[*Text*]

UNEMPLOYMENT INSURANCE

TORONTO, ONT.—DENIAL OF BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the parliamentary secretary to the Minister of Labour. Can the parliamentary secretary inform the house whether the unemployment insurance commission has now ruled as to whether the I.T.U. strikers in Toronto are eligible for unemployment insurance?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in answer to the hon. member for Danforth I would say I have been informed by the chairman of the unemployment insurance commission that this matter is being actively studied. First they must determine whether the industry has returned to 80 per cent of normal operation; then it must be determined whether the relevant section of the act applies in this case. There will be some definitive action by the middle of this week.

Mr. Scott: A supplementary question, Mr. Speaker. This is the story we have been getting for three weeks from this department. When are we going to get some action in this matter? What is the unemployment insurance commission doing to ascertain whether 80 per cent of production has been restored? Frankly, we are fed up with this evasion.

Mr. Byrne: Mr. Speaker, whether or not my hon. friend is fed up is irrelevant.

Some hon. Members: Oh, oh.

[Mr. Hellyer.]

Mr. Byrne: Active consideration is taking place and a study is being made to determine whether the industry is back to 80 per cent of normal operation, and then as to whether the act applies in this case. This will be determined by the middle of the week.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, could I ask the parliamentary secretary why it takes three weeks to make an investigation which any normal commission, with fairly competent people, could make in five days?

Mr. Scott: Mr. Speaker, I want to give notice of my intention to raise this question at 10.30.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS INCREASING LOAN MAXIMUM, AGGREGATE OF GUARANTEED LOANS, ETC.

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Farm Improvement Loans Act to increase from $7,500 to $15,000 the maximum amount of any loan that may be made under the act to a borrower together with any amount owing in respect of other guaranteed farm improvement loans, to increase from $400,000,000 to $500,000,000 the aggregate principal amount of guaranteed loans that may be made in the three year loan period ending June 30, 1965, to provide for a further three year loan period ending June 30, 1968, and to provide that the aggregate principal amount of guaranteed loans that may be made in that period shall not exceed $700,000,000.

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

Mr. Pennell: Mr. Chairman, this resolution foreshadows proposed amendments to the Farm Improvement Loans Act which will raise from $7,500 to $15,000 the maximum guaranteed loan amount which a farmer may have outstanding, and will also effect appropriate extensions of the government's guarantee to enable farmers generally to continue to borrow under the act at the same or at an even higher rate than that experienced in recent years. To this end the maximum aggregate amount of loans that may be made under the government guarantee during the current three year lending period, which expires at the end of next June, would be raised from $400 million to $500 million and there would be added a new lending period, from July 1, 1965 to June 30, 1968. During this new period the government guarantee would apply to an aggregate maximum volume of guaranteed loans of $700 million.

As hon. members are aware, this legislation was designed to make intermediate term credit more readily available to farmers for the purpose of financing a wide range of capital improvements. To achieve this, the act authorizes the government to guarantee each bank against loss up to 10 per cent of the farm improvement loans made by that bank during a lending period. To limit the government's over-all contingent liability, the act establishes a maximum on the total amount of guaranteed loans which may be made by all the banks during a lending period.

The use that has been made of this act since it came into force in 1945 has shown considerable growth. Whereas about $10 million was lent under the act in 1946 the annual amount of loans has exceeded $100 million since 1960 and grew to $135 million in 1963. Based on the trend in lending established so far this year, 1964 loans are expected to be in excess of $150 million.

During the period of operations under the act, technological advance and the mechanization of farms have been a dominant feature of Canadian farming, and farm improvement loans have played an important role in facilitating those developments. Although loans under the act are made for a wide range of farm improvement projects, they have always been used quite prominently to help finance the purchase of machinery and equipment. In recent years about three out of every four dollars borrowed under the act have been used for the purchase of machinery and equipment.

There has also been over the years, along with an increase in the average size of farming operation, a trend toward the use of heavier and more expensive machinery and equipment. This has been reflected in the size of individual credit needs which have been met under the provisions of the act, and the maximum amount permitted under the act to an individual farmer has been raised from time to time. While a maximum of $3,000, established originally in 1945, served the purposes of the act for many years, this was raised to $4,000 in 1953 and again to $5,000 in 1956. The present maximum of $7,500 has been in effect since 1959.

There has been evidence recently that the maximum was again becoming restrictive in relation to the needs of modern farming. To meet this problem it is now proposed to raise the maximum loan amount to $15,000. This figure has been developed in close collaboration with the Department of Agriculture, and we believe it will help farmers to meet their credit needs more fully with loans guaranteed under the Farm Improvement Loans Act.

An increase in the maximum loan amount is, of course, likely to accelerate somewhat the present growth rate in lending. Even without taking this factor into account, however, it is possible that loans during the current lending period ending next June will exceed the present limit of $400 million on loans that may be made under the government guarantee. The increase in this limit to $500 million is designed to prevent lending under the act being interrupted as the aggregate volume of loans reaches the current limit.

In the interests of smooth and continuous operations under the act it is also now proposed to add a new lending period which would run from July 1, 1965 to June 30, 1968. Based on current lending trends, a limit of $700 million is proposed on the aggregate amount of loans that may be made by all banks during the new three year period. It is estimated that this will be adequate to help accommodate the credit needs of Canadian farmers during that period.

Hon. members will appreciate that the nature of the proposed amendments is, in a sense, a measure of the success of this legislation. In this the co-operation of the banks deserves recognition. It is a good indication of the soundness of the scheme that on a total loan volume of close to $1.4 billion since inception, accumulated losses during this period have been only slightly above one tenth of one per cent.

In conclusion may I say that the Farm Improvement Loans Act has been an important instrument in helping Canadian farmers to meet their credit needs, and that the amendments to the act now proposed will, I am confident, further contribute to the improvement of living conditions of Canadian farm families and will further encourage the development of Canadian farming.

Mr. Danforth: Mr. Chairman, we in the official opposition certainly welcome the introduction of this amendment to the Farm Improvement Loans Act. We had hoped that this resolution might have been brought in at the time of the amendment of the Farm Credit Act and before the debate on the flag took place. We certainly do not wish to quarrel at this time with this laxity on the part of the government, nor do we wish to put this matter into the partisan field. However, we should like to state to the government that our constant pressure to have this

amendment brought before the house at a much earlier date was due to the fact that we were concerned that the farmers should have this increase available to them in time to be of use in the 1964 season. The fact that this measure has been delayed until this date almost precludes the possibility that this additional finance will help them this year.

The parliamentary secretary has pointed out that this Farm Improvement Loans Act which was enacted in 1945 has been amended from time to time. The legislation began with a maximum loan of $3,000. The act was amended in 1953 and the amount raised to $4,000; in 1956 the maximum was raised to $5,000; in 1959 it was again increased to $7,500, and now the government proposes that the maximum be $15,000.

We have absolutely no quarrel with this. We feel that the trend through the years gives two indications; first, the degree to which each government when in office feels that this industry needs this sort of help and does make the maximum use of it; second, we believe this trend is a sound criterion or indication of the degree to which farm expenses have increased, and forms a yardstick over the years of this drastic increase.

We believe this great industry of agriculture was one of the first industries of this country to feel the pressure of the industrial revolution which has been taking place over the last few years. Agriculture was the first industry which came face to face with the problem of automation. It was the first industry to lose a large proportion of its labourers and their children who left agriculture and migrated to the cities to take advantage of the higher wages offered, with the problems that followed.

There were just two courses of action open to agriculture. First of all, this agriculture industry had to attempt to meet the wage scale provided by heavy industry, which would have meant a drastic increase in expenses and in the price of farm commodities to the Canadian people. Or second, they had to change their entire method of procedure and try to take advantage of the machinery available and copy the industrial change-over to try to find out whether by this means they could increase their production.

When the previous government was in office I believe it assessed correctly that this revolution was in progress, and took direct action to provide the answer and the necessary aid to agriculture. I think it is a credit to the parliament of that time that there was no great opposition offered by any party in this house to that course of action.

This course of action, sir, followed along three lines. First there was a determination to increase the sale of agricultural products internationally and nationally in order to move the tremendous surpluses that were building up. Second, sir, there was an attempt by the previous government to effect some sort of stabilization of farm prices so that farmers would not be subjected to the extremes of very high and very low prices, which created great havoc both to the economic security of the farmer and his long term farming proposition. The third step taken by the previous government was in the form of farm credits, and there were amendments extending the scope of both the Farm Credit Corporation legislation and the Farm Improvement Loans Act to include all individuals engaged in agriculture, and to directly increase the amount of finance available to the farmers of that day.

It is very interesting to note that the agricultural industry was one of the first to take advantage of government financing to this large degree in an attempt to cope with the drastic problems it was faced with at that time. The loan picture as portrayed by reports of the farm loan board give us a very clear indication of just exactly what is going on. For example, the average loan after this act was passed in 1945 was around $784, and by 1962 the average loan had reached $1,626. This meant that over 90 per cent of the farmers borrowing during those years borrowed far less than the maximum allowed by the act.

It is interesting to note, however, where this money went. To bear out the theory that farmers were turning to large machinery in order to offset the cost of high priced farm labour, in 1962 some $87 million was borrowed by Canadian farmers for the purchase of machinery, which is 73 per cent of the entire amount of money borrowed. In respect of farm buildings $50 million was borrowed; $11 million was borrowed for the purchase of livestock and $3,749,000 was borrowed for other improvements.

Here in Canada we are beginning to experience a drastically changing farm operation. Farmers are moving toward greater specialization. Farms are indeed becoming larger and being run by modern farmers who are today more businesslike than probably their fathers or grandfathers. The farmer is a man who works on a profit and loss column, has an office on his farm

and is particularly aware of his costs in respect of every venture undertaken on his farm. He quickly realizes that in order to make his farm an economic operation in this modern world he must turn to the theory of producing more units with a smaller margin of profit rather than the former conception, fewer units with a large profit. This is necessary in order to compete in foreign markets, and the fact that foreign markets must take a great deal of our produce means that the farmer of today is taking the right course of action.

In order for the farmer to take advantage of this changing trend, today he must have more complicated and expensive machinery. We believe this is the act under which farmers will be provided with the tools necessary to work these new farms. Citizens today in Canada are subjected from time to time to news comments and reports and other sources of criticism, to the effect that governments of the day perhaps coddle this industry of agriculture to the detriment of those in urban centres who have to bear the effects of higher taxes.

Mr. Chairman, I think this is one illustration which points out the fallacy of those particular arguments. The parliamentary secretary has pointed out that we have a maximum of $1,250 million in loans to the farmers of Canada, and that the loss on this tremendous outlay of money is less than one tenth of one per cent. Since the loss is only one tenth of one per cent and the government, and therefore the taxpayers, are only responsible for 10 per cent of these losses, one will see that the government and the taxpayers are only forced to sustain a loss of one one hundredth of one per cent, which is trivial indeed.

These loans do make possible the production of food in this country at a price comparable and in competition with all the nations of the world, and enable the citizens of this country to obtain food of the highest quality and greatest variety. We believe there is only one major gap left now in respect of agriculture which must be corrected, and that has relation to young men without the necessary credit to borrow under this act, but who have expressed the desire and have the ability to be great farmers in Canada today. We feel there is room for action for the benefit of those young individuals, and that they should not be forgotten in the provisions under the Farm Credit Corporation and the Farm Improvement Loans Act; because a farmer wishing to borrow money under this legislation must possess the necessary assets so that he will not become a liability.

We are in favour of making these funds available to farmers at the earliest date possible. We will wait the provisions to be contained in the new bill, and if there are no startling changes but, as set out by the parliamentary secretary, those acceptable provisions, we see no reason for delay and feel perhaps the committee stage of this measure can be completed by tomorrow. We feel that this is a good measure but, as I say, our only quarrel relates to the regretful delay in its implementation. We propose only to have one speaker at the resolution stage in order to expedite the matter. We feel the department should be complimented for the scope to which they have increased this farm loans legislation.

Mr. Herridge: Mr. Chairman, I rise on behalf of this party to support the principle of this resolution. Well do I remember members of this party getting up in this house, nearly 20 years ago, reflecting the representations of farmers' organizations, particularly in western Canada, urging the establishment of this type of legislation. We support the principle and purpose of this resolution, which actually is simply a measure to increase the maximum loan available for capital improvements up to $15,000. The very fact that in 1946 the total amount that could be borrowed was $3,000 while today we find it necessary to amend the act to provide for borrowing up to $15,000 is a clear indication that the act has functioned very satisfactorily indeed, and that the need has been proven throughout the years.

Before passing on to a few other general observations I wish to make with respect to agriculture I want to say in passing that I trust the parliamentary secretary will inform the minister of my commendation, because there have been occasions, you know, when I have ribbed him a bit.

I must say I was very pleased to read the minister's remarks as reported in the press concerning the importance of the role of the farmer in our society. I thought they were very down to earth comments indeed about the food producers of this country. Too many fail to realize the contribution to our national life and to Canadian production and income that has been made by those who work on the land and, as the previous speaker mentioned, many people fail to realize how economically they produce the food of the nation. You meet people who actually are under the impression that farming is one of the most

inefficient occupations in this country, and I was very pleased that the minister made these comments.

I also wish to congratulate the minister for organizing the tour of Canada by agriculturalists from the Soviet union. In my opinion this type of association and exchange of ideas between those interested in agriculture in both countries can be most fruitful in the development of friendship between our country and the Soviet union. I have talked to some of those who were on the tour, and I am sure the visit of these Soviet agriculturalists was very worth while indeed. I think it was mutually beneficial and enjoyable.

I compliment the minister particularly as one who comes from a family that believes in free enterprise from here to eternity, because we recognize that he has done a good job in inviting these representatives from a socialist country to look at Canadian agriculture. I hope there was a bit of mellowing on both sides. Possibly we could learn something from them and they could learn something from our way of doing things. I think this is a very good way indeed to develop understanding between two very important groups in the economics of both countries.

I want to say a word or two with respect to the resolution stage of legislation. Years ago there used to be a debate on the resolution before the Speaker left the chair. Then we had the resolution, second reading, committee of the whole and so on. There is a move now to do away with the resolution stage on money bills. I can well understand this, but if the resolution stage were used for the purpose for which it was originally intended it could be a most useful stage in discussion.

I understand that the original purpose of the resolution stage before the introduction of the legislation was so that members on the opposition side could express their views, make observations regarding the circumstances surrounding the legislation, and offer suggestions; and that any wise government would listen to the views expressed by the opposition and after listening to them would very often make changes in the legislation before bringing in the measure. If the resolution stage was used for that purpose and governments did not finally draft their legislation—it would not apply in simple matters, but would in complicated circumstances—until after the debate on the resolution stage had terminated, the government could amend its legislation to take advantage of the views of the opposition without any loss of face, and the country as a whole would benefit. I suggest that consideration be given to that aspect of the resolution stage. Otherwise there is no great value in the debate on the resolution stage unless it is intended, as I said, to have some effect on the government in the drafting of the legislation.

Let me say that we welcome this legislation, which is urgently required at this time to meet the growing need for this type of credit in this field. I have had some experience in this respect. In travelling around I talk to our farmers and discuss their requirements, and I realize there has been a growing need for the amendment proposed in the legislation.

I might also say that we support this type of legislation wholeheartedly because it is right in line with our philosophy and program, which is based on a mixed economy. This involves legitimate private ownership operating in co-operation with government as the result of social capital being invested in our agricultural economy, and still leaving to the individual the opportunity for ownership of the farm, the making of management decisions and so on.

As far as I can ascertain, during the past 150 years our national agricultural policy has had one primary objective, namely the establishment of a rural economy in which independent farmers had complete ownership and control of the land they farmed. As a result the family farm has been the principal type of productive unit in Canadian agriculture to date. However, changing circumstances as the result of our industrial development have aroused widespread concern with regard to the present position of the family farm in Canadian agriculture. The increasing apprehension over the apparently precarious position of the family farm, particularly in some areas of Canada, is somewhat similar to the feeling of insecurity that exists in small business operations, some small industries and other aspects of our economy across Canada.

What is a family farm? In my opinion a family farm is a farm where, first, the farm owner or operator makes all the management decisions; second, where the farmer and the members of his family supply most of the labour required except at seeding and harvest times; and third, where the available farm resources and markets are sufficient to provide the family with an adequate standard of living. That is a family farm.

I might say I also believe in what I term the maintenance farm, because I think it has a role to play in our agricultural economy. Statistics do not always tell the whole story.

We have the economic family farm unit which we take as the basis of our agricultural economy, but in my district I have a lot of what I term maintenance farmers. These are people who on five to ten acres are growing fruit, producing poultry or carrying on dairying on a small scale. Over the year their total returns from a financial point of view do not compare very favourably with the income expected by some other people. They grow fruit, have their own cows, produce their own pork and bacon and do their own canning. They also grow other commodities on the ranch and in most cases are able to produce their own fuel. They burn wood.

In my district I have dozens and dozens of what I call maintenance farmers living on beautiful sites. They have lovely orchards and lawns and nice houses and driveways. From the point of view of some people their standard of living is not high, but from their own point of view they have an adequate standard of living, and a high standard of living so far as the cultural aspects of life are concerned. I believe there is a place for the maintenance farm in our economy. We cannot judge the success of all phases of agriculture by figures only, because figures alone do not tell the whole story.

I am one who believes that in the future we have to look toward decentralizing our cities and their populations and decentralizing industry. Instead of having increasingly larger units which eventually become factory farms and having people who were farming moving to the cities, I think we should be doing everything we can to maintain and develop a healthy, satisfactory rural economy.

I also believe there is a place for part time farming. I find it is being engaged in more and more and I think it should be encouraged. It involves men who are connected with the forest industry, persons who are possibly doing some tree farming, others who are engaged in beekeeping, in fact part time farmers of various kinds. I think the more people we can influence to become interested in the soil in Canada the better it will be for our country, and the healthier and more stable will be our society. I always maintain we should work for the development of these three types of farms, and there is a great deal of research and investigation required before we can come to definite conclusions on some of these matters.

Now, during recent years there has been a development of interest and it relates to the possibilities offered by family company farming. This type of farming will not conflict with the traditional concept of the family farm. In fact, it has several advantages over the single ownership system. For example, where the farming operation is of considerable size or where several members of the family are involved, it offers an excellent arrangement for the handling of such problems as intra-family ownership and estate planning. This has become a problem so far as many farmers are concerned in recent years. No one would have thought of such a thing 20 years ago—that a farmer would have been worried about the value of his estate, succession duties, and so on. More and more those members who are interested in these questions are finding that farmers are very concerned about this, because of the liquidation of the family enterprise.

In my opinion, the future will see a great increase in the family company type of farming. I do not think it is going to change the picture whatever, but it makes for more efficient farming and assured security of the family interested in the development of the farm itself. However, Mr. Chairman, I do want to say that in my opinion there is a great need for further research and study of the various problems surrounding the development of these various types of farming and ownership, particularly with respect to the financing of the purchase of land. As the previous member said, this is of particular interest to the young people who wish to go into farming. Then there is the question of the purchase of equipment and the provision of housing and other buildings necessary for the operation of a modern farm.

While we have lengthy Canadian experience, very competent federal and provincial staffs, as well as competent agriculture staffs on universities throughout Canada, I think we can still learn from the experience of other countries. I just want to deal briefly with two of them. Let me say this, that Canada has no monopoly whatever on the problems surrounding the maintenance and development of the family farm. This is a very general problem in portions of Europe, Great Britain, the United States, New Zealand and Australia. In Britain, for instance, the government has established what is called a small farmer assistance scheme which is devised to assist small farmers who own not less than 20 acres and no more than 100 acres of crop land. That is a small scale farm compared to some in Canada, but this assistance is in the form of direct grants of up to $3,000 for the improvement of land by tillage, drainage or irrigation, for fertilizers, and so on. This, as I say, is an experiment in Great Britain in an attempt to make it possible for these smaller units

to become economic. Although it has only been in operation a few years, it has proven to be very successful. Where a farmer has achieved the approved standard of production and income, he receives no further assistance from the scheme. However he is entitled to other grants and loans that are available to him as a bona fide farmer.

I mention this so that we will all realize this problem does not exist only in Canada. It exists also in a country such as the United Kingdom which has had a lengthy experience in agriculture. I think we possibly could learn something from their experience with respect to this problem as a result of their experiment. I think we could learn something also from the experience of the United States. A recent report by the national agricultural advisory commission sets forth a convincing and well documented case for the survival and development of the family farm. I have read this report and I could dwell upon it at length because it is a most interesting one. I am not going to take the time of the committee now. This report was made after considerable investigation by this commission into the circumstances prevailing in agriculture in every state of the union. I call attention to this one paragraph:

> The family farm remains the backbone of American agriculture because it has shown remarkable capacity to adapt to new methods and markets in a dynamic economy. The very changes that have enabled it to remain efficient, however have so transformed it in some respects that an erroneous impression sometimes exist that the family farm has disappeared.

The confidence of the commission in the endurance of the family farm is noticeable in the conclusion of this report, and I bring this to the attention of the parliamentary secretary. It is a most interesting document because circumstances in the United States are similar to ours. It is to insure the development of such an environment that this type of legislation is required. I refer to the granting of additional credit.

Mr. Pennell: What was the name of that report again?

Mr. Herridge: The report of the national agricultural advisory commission of the United States. I was going to say that here again, as in the labour field, I think we should be willing to undertake some experiments. I do not believe a constructive person should be critical if we drop one program or modify a program or change a program substantially. It is the only way sound policies are developed. I am thinking of studies in the field of legislation that covers agriculture production in Canada, particularly relating to the family farm, the maintenance farm, the part time farmer and the family company farm. There is plenty of opportunity to consider these various aspects and to experiment in certain fields in Canada.

Circumstances in the maritimes are different from those in Quebec and Ontario. Conditions on the prairies are very different from those that exist in British Columbia. It is for this reason I say that a complete, satisfactory long term program that meets all the needs of agriculture in the years ahead cannot devised overnight. It is a matter of experimentation and proving things as you go along.

However, it is to ensure the development of such an environment that this type of education is required. This is one aspect of agricultural legislation that is fundamental. To adequately understand the problems facing those on the family farm, we need, in my opinion, an extension of research and educational services for our farmers. I am not belittling the services that are provided at the present time. We need a strengthening of the role of farmer controlled co-operatives, as well as stronger support from governments both federal and provincial. We need a recognition of the special credit needs of agriculture.

Before concluding I want to bring to the attention of the committee two other matters which I feel should receive consideration while we are discussing the matter of farm credit. We need extended opportunities for the training of younger farmers, young men who are looking forward to acquiring land as a result of borrowing from the Farm Credit Corporation or as a result of government guaranteed credit from other sources. We need some new arrangements to assist in building new farm homes. Here is one field where enough has not been done, by any means. As a matter of fact, my reading of reports and inquiries of Central Mortgage and Housing Corporation lead me to believe they have not done very much in this field. It appears to me that consideration should be given to this particular problem. I refer to the building of satisfactory farm homes on farm properties. Possibly there should be some common policy and approach devised as the result of consultation between the officials of the Central Mortgage and Housing Corporation, Farm Credit Corporation, the Veterans Land Act administration and those who administer this and similar legislation. This is a problem which has not been met satis-

factorily to date and I urge that consideration be given to the question of credit for the building of farm homes, as distinct from the purchase of equipment and machinery and the development of farms themselves.

Some way must be devised of providing security for the loan on the farmhouse without mortgaging the whole farm itself; but that is a problem that can be solved if there is a common approach between these various lending agencies. With these few remarks I look forward to seeing the exact terms of the bill and I may have a few questions to ask at that stage.

Mr. Olson: Mr. Chairman, my first words in speaking to this resolution must be to commend the parliamentary secretary to the Minister of Finance for his very comprehensive explanation of the proposed amendments to the Farm Improvement Loans Act. This act, with the amendments that have been made to it over the years, is one of the most useful and effective pieces of legislation we have dealing with agriculture. From personal experience in my own constituency and in many other parts of Canada I know that its provisions have been used extensively, and in its application there has been a disposition on the part of the bankers, who for the most part administer the act, to be very co-operative in recognizing the needs of farmers when they make application for credit. Certainly the act has met with a high level of acceptance by farmers from one end of the country to the other.

It is also worth mentioning that many other people besides farmers have benefited from this act. I am thinking particularly of farm equipment dealers who have had a large and continuing source of credit available to continue in the promotion of their business. It may be argued that some of the instalment payment arrangements set up by farm machinery companies and various types of acceptance companies have also performed good service, but in my opinion no source of funds for the purchase of new equipment has been as easily attainable and as useful as this act.

I was interested to hear the parliamentary secretary state that from the inception of this act in 1945 until now losses incurred were at the very low rate of one tenth of 1 per cent. This brings to mind a speech made by the Minister of Agriculture to a gathering of farmers at the C.N.E. in Toronto, when he said we have been a little too reluctant in extending farm credit because the record shows the losses are very small, in fact that they are substantially below most other kinds of credit extension.

I do not wish at this time to debate in general terms the value of farm credit for the purpose of modernizing and keeping farm units efficient, but one very interesting matter was recently mentioned by the Minister of Agriculture, a matter that I think is worth mentioning, again, namely recognizing the farmers of Canada for what they are, the producers of food and groceries, rather than as some entity unto themselves that continually comes to the government for assistance.

If my memory serves me correctly only about 21 to 25 cents out of each dollar Canadians earn are used for the purchase of food. I believe this is the lowest figure of any country in the world, and the purchasing of food has to be the paramount consideration when we think of our standard of living and the well-being of the whole nation. If the figure is as low as this then most of the credit has to be given to the efficiency of our farmers in producing the food requirements of our nation, and when one thinks in those terms he must realize it is essential that our farm units be kept efficient and in a healthy state.

The performance record of Canadian farmers has been such that all our other citizens ought to be grateful and satisfied that, whatever legislation has been passed by parliament for the benefit of farmers, the money it provided has been well invested.

We are being asked to approve amendments to the act to increase the maximum amount of loans from $7,500 to $15,000, available to individual farmers for the purchase of equipment and other things they are allowed to purchase under the provisions of this act. In this connection we have to recognize that there has been a certain amount of automation in the agricultural industry, as was mentioned a few moments ago by the hon. member for Kent (Ont.). This automation has increased the efficiency of our farmers in terms of the cost of production. It has been made necessary because there has been a reluctance on the part of the labouring classes to take up farm labour as a vocation.

There are a number of reasons for this. One reason has to do with the provisions of the Unemployment Insurance Act and other things; but nevertheless this automation has certainly taken place during the past few years. I might say, Mr. Chairman, that automation has increased the cost of investment in an efficient farm. Therefore increasing the amount now from $7,500 to $15,000 is recognizing two things; the first of which is that

the cost of equipment and machinery has risen substantially since 1959. But in addition to that I think it is also a recognition of the fact that even in 1959, when the increase was made, while it was a step in the right direction it did not meet the requirements of of the time.

The parliamentary secretary to the Minister of Finance mentioned that about 75 per cent of all the money that has been lent under the Farm Improvement Loans Act over the years it has been in operation has been used for the purpose of purchasing either machinery or equipment. In the resolution that has been placed before us this afternoon we are not asked to deal with other amendments to the Farm Improvement Loans Act; we are simply asked to increase the limits in regard to borrowing. I think the Department of Finance and the Department of Agriculture ought to take under consideration some other amendments that would perhaps broaden the purposes for which this kind of loan may be used, because with regard to modernizing a farm there are such things that do not necessarily fall into the category of either machinery or equipment. In my constituency for example there are such things as land levelling. This is a very important asset to a farm. I know that money for this purpose can be borrowed from the Farm Credit Corporation under long term arrangements, provided you qualify for a farm improvement loan in the first place. I only mention this as an example, Mr. Chairman. There are other things, such as the purchase of fertilizer, better qualities of seed, and so on. Some of these things, at the discretion in many cases of the banker, can be purchased with a farm improvement loan; but usually in a case where the borrower is unable to provide some kind of security in land, the banker requires only security in the piece of equipment that is being purchased with the proceeds of the loan being applied for. Of course this is impossible with respect to fertilizer, seed, and some other things. Therefore, Mr. Chairman, because of the mechanics of the Farm Improvement Loans Act and the very high level of success it has had over the years, I think there should be some broadening of the provisions of that act so that some of these other things, which do in fact make for increased productivity, can in fact be purchased with a farm improvement loan.

Before the parliamentary secretary to the Minister of Finance comes back and tells me that this is already provided in the act, I would ask him to look at the practical application of the act. He should do this before he makes a blanket statement that this is already provided for. I know it is certainly provided for in the case of those farmers who come along and have what is considered a high credit rating; in other words, if they have a large investment or large equity in the land, that is not committed for some other purpose, then of course money will be granted for the purchase of seed, fertilizer, perhaps even some livestock, and so on. However, Mr. Chairman, this is not what I am talking about. Let us take the case of renters, or other farmers whose credit rating is not quite so high. When the banker can take full security in the piece of equipment that has a serial number on it and is not going to deteriorate very rapidly, there is no difficulty in granting that farmer a loan because there is a reasonably new—and in most cases, brand new—piece of equipment in which the banker can take security. But as I have said, in the case of some of the renters and people in that category, who could make very good use of a loan for some of these other things I have mentioned, they are not granted loans in spite of the fact that there may now be provision in the act for such loans.

Therefore I believe there should be some broadening of the provisions of this act because it has been so successful. If I may repeat myself, Mr. Chairman, the parliamentary secretary said their losses are only one tenth of one per cent, and perhaps this is an indication that some relaxation is in order.

It is interesting to read some of the submissions that have been made to the Prime Minister. On February 26 this year a submission was made by the Canadian Federation of Agriculture. There was also the address of the president of the Canadian Federation of Agriculture to their 28th annual meeting in Charlottetown, Prince Edward Island, earlier this year. On page four of the document that I have before me, which was printed by the Canadian Federation of Agriculture, they say, under the heading "Views on Farm Credit":

> I would like to suggest that we should consider establishing means of thinking the problem through by study and analysis and arriving at new and sound proposals. There are a number of areas in which farm credit needs are not now being adequately met:
>
> 1. Loan limits are probably inadequate under present conditions.
>
> 2. Adequate arrangements for meeting the problem of transfer of farms on the retirement, or death, of the present owners.

Then the president of the federation goes on to give No. 3:

> Operating, or intermediate credit needs, are not being adequately met by the farm improvement loan program, or the present banking system.

Then No. 4 is the matter of emergency or disaster credit. That was in the speech of the president of the federation given to the 28th annual meeting. In their submission to the Prime Minister and members of the cabinet on February 26, they said this:

> 32. Second, the loan limit of the Farm Credit Corporation should be raised to $50,000. This would be more realistically in line with present costs of financing economic farm units.

Item No. 33 that they presented at that meeting was as follows:

> 33. Third, the loan limit on farm machinery under the Farm Improvement Loans Act should be raised to $10,000—again, a more realistic level in light of present day costs for machinery and equipment.

If you look at some of the submissions and the discussions preceding those submissions so far as farm credit is concerned, it becomes apparent that by passing the amendments to the Farm Improvement Loans Act and the amendments we passed in respect of the Farm Credit Corporation several weeks ago, we have not only met but have considerably surpassed the requests that were being made by this association of farmers' organizations. I do not mean to be facetious because this is a serious subject, but it seems to me that we have now gone beyond even the fondest dreams of spokesmen for farmers' organizations, so far as limits are concerned. This amendment puts the maximum $5,000 beyond that asked for, and also $5,000 in aggregate, I think it is fair to say, beyond that asked for under the Farm Credit Act. I believe the maximum limits which have been placed on these various forms of farm credit available from and guaranteed by the government are now adequate; at least they are adequate for the time being. They have been raised to a point where they have taken into account both the need for farmers to become efficient in order to face the tremendous competition they have to face in the world today, and also the increased cost of the farm machinery that is sold today. So in the immediate future when we talk of farm credit I think we should turn our attention to other things with respect to the administration of farm credit. I strongly urge on the parliamentary secretary to the Minister of Finance—although this may not be completely within the sphere of his minister's department—the suggestion that there is some room for improvement in the application of these loans apart from simply increasing the maximum limits from time to time.

I do not wish to repeat what I said about making some amendments to the farm improvement loans legislation to provide financing of other things than farm machinery, but I think this question is a valid one and should be considered. We have no hesitation in giving our wholehearted support to the amendment proposed in the resolution before us, and during the passage of this bill through committee stage I hope the parliamentary secretary will be able at least to assure the committee that he and the Department of Agriculture are giving favourable consideration to relaxing some of the regulations which have hitherto prevented farmers with a low credit rating from making use of this type of loan to increase the productivity of their farms.

[*Translation*]

Mr. Langlois: Mr. Chairman, I take this opportunity to say a few words about the resolution now under consideration. I had prepared some questions I wanted to put to the Minister of Finance; I will do that later when he comes back to the house.

In the meantime, I will just make a few general remarks, first to congratulate the government for its decision to increase farm improvement loans from $7,500 to $15,000.

At the present time, our agriculture certainly needs our government's attention.

First, as stated by the hon. member for Medicine Hat (Mr. Olson)—and I agree with him on several points he mentioned—it is a fact that agriculture is almost entirely centred on foodstuffs. Right now the figure is 21 per cent.

Mr. Chairman, agriculture has always been the basis of our economy. Whether we like it or not it is essential to life, and that is why I feel that in the normal course of things it must always be considered with attention in order to prevent it from drifting.

In a country like Canada, which is known as one of the most fertile countries, not only the provincial governments, but the federal government as well must seek to maintain farm production as high as possible.

Farm loans are a good thing, and this increase from $7,500 to $15,000 will enable family units to expand and escape a kind of socialization—I should rather use the word centralization—by companies which at a certain time would probably establish a monopoly under their exclusive control.

Our farm families have certainly showed their good will in the past. Today, some very well equipped farms produce much more than they could just a few years ago. Perhaps it is due to automation, but certainly to the good will and courage of Canadian farmers at large.

Tremendous courage was needed to clear that land for cultivation, land which is not too old as far as agriculture is concerned but which was practically turned into a farm kingdom.

Now, it is up to the government to legislate in such a way as to permit those farmers to live decently, particularly if one considers that the farmer is the most important of our citizens since he is producing food for the nation.

Today we want to help the family farm and that is why I am in favour of the proposed increase in farm improvement loans. It will permit families settled on Canadian farms to expand and improve their farm techniques in order to increase and improve their production in order to meet the needs of the Canadian people generally.

Now, this is good for agriculture in general or the rural economy itself.

As I said a moment ago, it is the very basis of the national economy, in this country as in other countries. Without agriculture, I think that it would be extremely difficult to survive.

Now, it is not sufficient to grant loans. I think that we should take our bearings and look in the direction of production and loans granted to farmers. It is obvious that if the farmer cannot obtain enough for his products, he will continue to need larger loans. And the fact that he is borrowing is not necessarily a good thing. If he applies for a loan, it is because his support price or the price he gets for his products is not high enough. The loan is therefore a bad thing, because it merely delays his bankruptcy.

In the present case, certain areas could even be designated where a loan would actually hinder the farmer's development. In the circumstances, it is up to us to look into the situation, to seek advice and to act accordingly, so as to maintain the price of his products high enough to enable the farmer to live on the income of his farm.

All farmers are taking jobs today, and I am not only speaking about the province of Quebec, but also of western farm lands—where the best farms in the country are to be found. There are people who work in a locality and, at a given time, they leave to go to work in Regina; others have to go to work in Edmonton, because their farm is not too remote from the city, in order to make both ends meet at the end of the year.

This happens in the west, and it also happens in the province of Quebec. Nowadays, it is no longer the farm that supports the farmer; in many cases it is rather the farmer who has to support the farm. It is not at all the same thing. That is why it is necessary that an extensive study be made in connection with the sale and cost prices of agricultural products. It is useless to make loans easier for farmers if the prices quoted are not high enough. As I said a moment ago, the only result is to postpone bankruptcy. But at the present time, regardless of the views other members might put forward, I am convinced that the prices the farmers get in some agricultural areas are altogether ridiculous and that it is unthinkable to try to maintain a farm economy with such prices.

Here is an example I should like to give to the house to show what I mean. I would ask the government to consider such cases when they occur, in all farm production areas. I want to refer here to maple products, with which I am familiar because they are produced on a large scale in my own constituency.

Last year the cost of producing a pound of grade one, class A, maple sugar was 27 cents. The maple syrup then went to wholesalers or co-operatives to be placed on the market, etc. I should like to mention that when the organizers of last year's Plessisville maple sugar festival, seeing that they could not obtain enough maple syrup from the farmers because they were sold out, went back to the co-operative, the next day, after the quality test of the maple syrup had been taken, for another supply of maple sugar. They asked for second grade sugar since it makes a better and less crystallizing toffee; they paid 42 cents per pound for second grade sugar while the day before, first grade was selling for 27 cents per pound.

As you can see the farmer does not benefit from the disposal of those commodities. With regard to the price at farm level—though it has been said that maple sugar is expensive, it does cost something, there is the work of the farmer who produces it, the depreciation of his equipment used in the manufacture of maple sugar—we are advised not to put any cattle in the sugar bush, because it disturbs sugar production. Therefore, to what use can the sugar bush be put at times? Land taxes have to be paid, as well as the help, horses have to be obtained on rental and, today,

tractors have to be used instead of horses because those that are used in the sugar bush are now very very rare indeed.

There are certain burdens which must be carried by the farmer before he starts making any sort of profit. It is a problem which has to be considered.

The same thing is true in other sectors of farm production. The price to the farmer has to be studied. Western farmers joined together to establish a basic price for their wheat production, according to the various categories of wheat and the same procedure should be followed in other fields.

People seem to worry about surplus production. Let us take corn production for instance. According to a report given to the committee on agriculture, we imported last year almost $35 million worth of corn from the United States. Maybe we could produce a little more corn in our country, but would we be in a position to sell it? Could the farmer recover his outlay and make a profit? That is the core of the problem and a big question mark.

Other farmers undertake the raising of cattle, hogs and poultry. There also, there is a question mark. The farmer wonders whether he will be able at the end of the year to sell his production at a profit, at cost or at a loss?

Nowadays, Mr. Chairman, very often the farmer incurs a loss. Moreover, if the farmer were counting his labour, there would be times when he would reconsider his position and perhaps come to the conclusion that he should sell his farm.

Such a loan will perhaps solve his problem temporarily. Well and good, but will it solve it permanently? This is something to wonder about. It will certainly enable the farmer to enlarge his farm, but in what way? Will that lead him to a worse bankruptcy or will it help him to survive?

I would ask the minister to consider this very carefully, then to talk it over with the provincial ministers of agriculture, to refrain from depriving one part of the country for the benefit of another and to endeavour to find a farm policy that would satisfy every section of the country at the same time. Once such a policy has been established, we might have a more stable, more satisfied and a happier farming class.

But at the present, there are far too many of our farmers who must leave their farms to work in the city in an attempt to survive, and who have to use the money earned in the city to make up the deficits they have incurred on their farms.

Granted, Mr. Chairman, there is land for everybody in Canada. Our farm lands are not so small, for the great majority of farmers own at least a hundred acres. I think such a loan will enable them to break more ground, but it will not solve the whole problem.

You certainly will not solve the farmer's problem by trying to consolidate all his debts, because ten years later he will be right back where he started. All you have to do is look at the situation today and compare it with what it was ten years ago. The difference between the two is that farm lands—I am speaking of eastern Canada—were debt free 15 or 20 years ago. Those were economic farms then, whereas today, under the same administration, the same management, they are burdened with debts and farm loans. It is obvious that there is something wrong somewhere and that improvements, changes are indispensable.

I am urging the government to consider such a possibility, and to stop worrying about production surpluses. There are so many people who are starving in this world that the farmers will only be pleased to sell their products to them. Is it not better to sell a little at a price lower than the current one, a certain percentage of production than not to sell at all or to sell at a loss? This is where the government must play their part, through a compensation discount granted to the farmers who would sell their products on outside markets at reduced prices. Then, the farmers would be able to buy the necessary farming machinery which is heavily burdened with taxes and almost beyond their reach.

In considering the western situation, I see that in 1944, a farmer could buy a combine for $2,400 or $2,700, while today he must pay from $12,000 to $13,000, even though it must be admitted that this piece of equipment has been improved. Although it can cut a 16-foot swath, the various improvements made do not compensate for the difference in price. To pay $13,000 for equipment you use about only three weeks during the year, while the next year, the value of the equipment has gone down to $9,000, is quite expensive because the farmer incurs a $3,000 depreciation. Western farmers must make tremendous profits to meet such expenses.

For a tractor, it is exactly the same thing. Fifteen years ago a tractor sold for $3,500, whereas today the cost is $8,000, $9,000 and $10,000.

The price of wheat has not increased as much as that, the soil produces the same

thing and young people in western Canada, like those in eastern Canada, to start with, have to get farm machinery at a cost of $20,000 or $25,000, and they have to pay about as much for the land itself. This means that before they even start, they have to invest $50,000. How many members in this house could do that, Mr. Chairman?

It is certainly not through loans that we shall be able to guarantee sufficient income to cover these expenses. The only means to ensure a profitable income on that production is to establish a guaranteed price. The farmer who has to invest $25,000 or $50,000 will then be sure that his investment will be profitable. At the present time, the farmers can hardly pay interest charges.

Mr. Chairman, it is to this point I wish to draw the attention of the government. I do not object to the bill. On the contrary, I approve it. However, I wish the government would broaden its perspective so as to consider the whole farming situation in the best interest of the country and see to it that the farm production is sold at a reasonable price, which would enable the farmer to live on his own land instead of working on some other land or overcrowding the labour market.

I think it might be said that in the field of agriculture there is an improvement. There are other projects. In that field, there is ARDA, but it has become so complicated that I wonder whether its authors understand it nowadays. After the authorities concerned have examined the question, they could perhaps confirm that this project is somewhat in accordance with our suggestions, because we have long been advocating support prices and we will continue to do so.

We commend the government for the initiative it has taken in introducing this resolution, but we would ask it to consider this matter. However, the government must broaden its horizons and maintain its assistance to farmers, because they are greatly in need of help. A department of agriculture should be set up for eastern Canada and another department should be entrusted with western agriculture, because the problems are entirely different in the two parts of the country; the needs and crops are not the same in both areas.

Until we are given more details in that connection, I reserve the right to direct some questions to the minister in due time.

[*Text*]

Resolution reported and concurred in.

[Mr. Langlois.]

Mr. Pickersgill (for Mr. Gordon) moved for leave to introduce Bill No. C-119, to amend the Farm Improvement Loans Act.

Motion agreed to and bill read the first time.

TRANSPORT

PROVISIONS RESPECTING BRANCH LINES, GRAIN FREIGHT RATES, ETC.

Hon. J. W. Pickersgill (Minister of Transport) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to authorize implementation of certain recommendations of the royal commission on transportation with respect to the rationalization of branch lines of railways and passenger train services and the fixing of freight rates under and consistent with a national transportation policy suited to modern transportation conditions; to establish a branch line rationalization authority and a branch line rationalization fund to be continued for 15 years to assist in the establishment of an orderly program for the improvement of the efficiency of railway branch lines; to provide authority for public funds to be used where assistance of a type similar to that provided by the branch line rationalization fund may be required after such 15 year period; to provide for payments out of the consolidated revenue fund on a reducing scale for a period of five years commencing with 1964 to compensate railways under the jurisdiction of parliament for passenger train deficits incurred in Canada during such period; to authorize payments to maintain the prevailing level of freight rates on western grain moving by rail to export positions; to permit the lapsing of the subsidy (known as the "bridge" subsidy) now provided for the maintenance of the trackage of the Canadian Pacific Railway Company between Sudbury and Fort William and the corresponding trackage of the Canadian National Railway Company between Capreol and Fort William and between Cochrane and Armstrong; to authorize agreements relating to the carriage by rail of Her Majesty's mail, and members of the Canadian forces and police travelling on Her Majesty's service and to provide further for other matters consequential upon or related or incidental to any of the foregoing.

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

The Chairman: Shall the resolution carry?

Mr. Pickersgill: Before the resolution carries, Mr. Chairman, perhaps I should make a few brief observations. It has been suggested to me from the other side of the house, perhaps as a query, that there might be some disposition to treat this resolution as the last one was treated, and have one member of each group say something at the resolution stage. We could then see the bill and have the main debate on the bill itself when we would know with more certainty what we were talking about. In case there should be

any disposition in that direction I intend to make the kind of speech that I think is appropriate to the resolution and not attempt in any way to deal with the provisions of the bill itself except in the most general terms.

The resolution suggests that it is expedient to introduce a piece of legislation of a character that I was almost going to say was revolutionary. It certainly involves a number of fundamental changes in our concept of railways in Canada. I sometimes think that, over the years, railways in Canada have caused almost as much emotion and certainly as much controversy as flags and almost as much as languages. It is not surprising that this should be so because throughout the whole of our history since confederation, in fact even from the time of the union of 1840, railways have been the bony structure of the body politic in Canada. Perhaps this was truer in our generation of western Canada than of eastern Canada—I speak as one in his sixtieth year—but in western Canada the train whistle was really in many ways the call of civilization. It was the signal of the one thing that really connected each isolated community, some of them very much so indeed, with the rest of the country and the rest of the world. I think that the whistle of the old steam locomotive, which has gone into history, went into history just about the time that the railway ceased to be a quasi monopoly in transportation. I think there are still a good many of us who have got the habit of thinking that the railways are the only form of transportation which really matters in Canada. This is no longer true. For a long time, in many parts of the world and in many parts of Canada, the railway was the only effective means of transportation of persons or goods. It was a quasi monopoly, if not an actual monopoly, depending on where you happened to be.

At the outset the railways received from this parliament relatively rigid regulation. Even so, regulation was relaxed and relaxed considerably, in those parts of the country where alternative forms of transport were really important. This has always been true in areas where water transportation on our unique waterways competed with the railways. I think many of us who did not have the good fortune to live in areas where there was that kind of competition, which kept rates down, were rather envious of the advantages of those who did. With the development of hard surfaced heavy duty roads, with the trans-Canada highway which, although it is far from complete, does now give us an all Canadian road from one coast to the other, with the remarkable development of the air lines not only in carrying passengers but also in carrying freight, it is no longer true that the railways have a monopoly in most parts of this country for most kinds of traffic.

It is true that in certain remote areas the railway is the only effective means of transport. It is true also for certain kinds of goods. I suppose in this respect the most important single commodity is wheat. The railway in many parts of the country is still the principal carrier of wheat, the only other effective means of carriage being by water, where that is available.

It has been apparent I think for a number of years that a great leap forward was needed in our thinking about rail transportation and about the relationship of parliament and government to rail transportation. This leap forward would recognize the fact that the railways no longer, except in those rather limited areas to which I have referred, have a monopoly. There is competition which in many respects is very effective, and in some respects so effective that the railways are losing the traffic almost completely. Under these conditions it is surely better to allow the forces of competition to provide the regulation than to seek to provide it, generally somewhat out of date, by law.

Some years ago under the previous administration a royal commission was set up. This of course has been the pattern over the years, that at each important stage of development in our railways, we have used this rather useful device for having a hard look at the railways taken by really competent people. This most recent commission was not under one chairmanship. Unfortunately, for reasons of health, the chairman was not able to continue but found a very worthy successor in Mr. MacPherson who, although our views might differ politically, I think the house would be united in agreeing is a man of utmost integrity, great competence and vast experience in this field. This commission had a number of other able members. They provided us more than two years ago with a report which certainly deserves our respect. This does not mean, of course, we should blindly accept every recommendation that was made by fallible men who could make errors in judgment. But I am bound to say that when the present government was faced with the problem of deciding what if anything should be done about this problem—and it certainly called for some drastic action

—the recommendations in the main have commended themselves to the government, and in the main we are proposing to ask parliament to translate those recommendations into legislation, if the house is willing to accept this resolution and to permit the government to bring forward a bill.

Now I may say that despite what some hon. gentlemen opposite said in the exuberance of debate in recent weeks, the bill has been ready for months, and I say that because I want to say something about the date July 1, 1964, which is in the bill. I do not propose to ask to have the bill reprinted on that account. I think it would be better to have it introduced, better to see what progress we make and, if it is desirable to make the effective date a different date, the government would reserve the right to substitute another date for it, without being accused of retreating or advancing or anything else, but just of being sensible.

Mr. Clancy: You are just neutral about it.

Mr. Pickersgill: The hon. gentleman suggests that we are just neutral, but we are just being sensible about this matter, and if we can save the taxpayers a little money in the process then it is a good thing to do. I thought I ought to mention this one point because it seemed to me, if later this day we do get consent to introduce the bill, there should be an explanation on the record with regard to this date.

Broadly speaking, what the bill would propose to do is to relieve the railways of the burden of the services which the royal commission decided were uneconomic. By uneconomic I mean services that were being provided to the public at a greater cost than the railway was recovering from the direct payment for those services. It is in that narrow sense of the word uneconomic that I use the term. It does not necessarily mean any of these services are uneconomic in the sense of being unnecessary to the whole economy. Those that are unnecessary to the economy we would hope would be dispensed with altogether; but those services which, for economic or social reasons, do need to be carried on, but for which the railways do not receive, in direct return adequate financial support, it is felt should not be charged to the general revenues of the railways but that these uneconomic charges should be made and clearly defined for what they are, so that we will know in this parliament, so that the public will know as nearly as we can possibly, by good accounting segregate these matters—what is costing what, what is being received for what, and how the railways are doing.

The legislation will also provide for a radically new method of freight rate regulation which will involve, in fact, a great deal less regulation than we have been accustomed to in the past, and which is in general very much along the lines recommended in the report.

There are a number of recommendations in the report which do not directly affect these two basic matters, recommendations with respect to the Maritime Freight Rates Act, with respect to road transport and some other matters that are of great importance in themselves, but that it was not felt we should attempt to include within the four corners of this legislation which we now wish to bring forward, and some of which we feel still need more study before the government will be prepared to decide to recommend legislation.

The philosophical basis, if one wants to put it that way, of the legislation is that the railways now, in the main in most spheres, being subject to competition from other forms of transport should be free to compete for business with other forms of transport, but with due regard to the national interest. In this context I should like to say a word about the fear that has been expressed by those engaged in other forms of transport, that in some way or other, the government is proposing massive subsidies to the railways to enable them to undercut their competitors. There is no such thought and no such intention in the legislation.

It is true that in the past several years parliament has seen fit to vote certain sums of money which are paid to the railways because of their financial situation, and it is true that the government will be asking—and parliament has already been told this—to have these payments made for the calendar year 1964, and that we have undertaken to look at the effect of the recent increases in wages, six months after those increases were granted, to see what if any additional, temporary, transitional assistance the railways may require.

But the whole purpose of this approach to the railway problem, the whole purpose of the legislation we have in mind is to get away from any large, undifferentiated lump sum payment to the railways, to make payments only for specific services that are specifically defined, and to leave the railways free otherwise to compete, but to compete

with their own resources, the resources that are available to them, on the same basis as other forms of transport. I thought it worth while making this point because there is a great deal of misunderstanding and apprehension occasioned by that misunderstanding about this point.

I may add, moreover, that, having regard to the financial situation of the treasury and to what I believe myself to be good sound principle, it is the desire of the government, wherever this is possible, wherever it is reasonable, wherever there are not important national considerations calling for different action, that users, and not the taxpayers, should pay for the services that are provided in the field of transportation. There are of course exceptions that will have to be made, as they have always had to be made to this principle, with respect to the railways, and which sometimes have been made with respect to other forms of transport.

We must remember that in the Canadian context, perhaps more than in that of most countries, good transport and efficient transport is essential to keep the country a country, to keep it united, and that the national interest must at all times be paramount. We consider, as every government has considered —at least for a generation—that one of the national interests of this country is to maintain the tremendous grain export business that has been one of the main sources of income of the Canadian people in the whole of the twentieth century. For that reason there is no thought and no intention of disturbing the Crowsnest pass rates, and those other rates which are an extension of the Crowsnest pass rates on grain.

It is also very well known that, notwithstanding the tremendous changes that have taken place in railway transportation on the prairies, this applies more to the prairies than to any other part of Canada, although there are other areas where it has some application —where railway branch lines, in many cases, are getting much less traffic than will pay for the cost of operation of those lines—that there are many of those lines which are essential now and will be essential for a considerable number of years for transportation, and particularly for the transport of grain. And as hon. members know I have taken the view, which was taken also by my predecessor, and which has been taken by this government and which I am sure would have been taken by the previous government, that in this matter the public interest must be placed ahead of balance sheets.

So far as these branch lines are concerned, there are undoubtedly some of them where the traffic is so light that their essentiality has really disappeared and the branch lines themselves could probably be dispensed with fairly soon. There are others which are going to be needed for a great many years ahead, so far ahead as it is reasonably safe to legislate in a matter of this kind, and therefore it is proposed to recommend that a branch line rationalization authority be established and that a fund be given to this authority to keep these lines in being, without making the losses on them a charge on the general revenues of the railways, but having them paid for directly as a national service, so that the railways will not be able to blame any failure to earn a living by themselves on these branch lines.

We have all of us witnessed, no matter what part of Canada we have come from, the gradual shrinking—though there has been perhaps under the red, white and blue a revival of late, but it is only a small revival compared with the shrinking that has taken place—of passenger traffic and passenger services on the railways.

It is proposed to accept the recommendation of the royal commission that payments be made to the railways to maintain certain of these passenger services on a sliding or diminishing scale in order to give the railways an opportunity to test which service can really be made to justify itself and which cannot, without sudden shocks in the transportation field.

I think these are the principal features of the legislation that is proposed. As I said at the outset, Mr. Chairman, I would hope that we would not feel it necessary to try to debate the bill before we see it. If we could confine ourselves to generalities and possibly to a few questions about any points that I may have left obscure at this resolution stage, we could have a much more intelligent and informed debate when we have the bill in front of us and know precisely what it is the government is proposing.

With respect to what the government will be proposing, I may say that of course we are taking our responsibility as a government for the proposals in general; but it is the intention of the government to have this bill sent after second reading, provided the house sees fit to give it second reading, to the railway committee, because it is of such vast importance to everyone in the country. We think it would be quite unreasonable to take any other course. We would expect that

the committee would hear representations from all seriously interested bodies. I may say that as the minister primarily responsible for this legislation, it would be my view that I should listen most carefully to all representations and bring to the attention of my colleagues any serious suggestions for amendment of the legislation that in the light of those representations might seem to be more in the public interest than what is being recommended. No one can be all wise about as difficult and complex a subject as this, and certainly the government does not pretend to be. I do not think the royal commission did, either. If through our collective wisdom in the committee or in the house we can provide more effectively for the future of the railways, we will seek to do so in the course of this legislation.

I think I should just say, in conclusion, that notwithstanding the tremendous development of road transportation, of transportation by air and other forms of transport, particularly the tremendous increase in the volume of inland water transport which has taken place since the opening of the St. Lawrence seaway, the railways still do represent a very important element in the whole Canadian economy. It is essential that we have efficient railway service in this country, not only to transport goods from one part of the country to another but, in a country which still depends for about one fifth of its income on sales outside the country, it is of the utmost importance that our railways should be both efficient and competitive, not only with other forms of transport in Canada but with transport elsewhere in the world, so that we may continue to derive from the rest of the world that one fifth, that 20 cents of every dollar, of the income of the average Canadian that comes from sales abroad.

It is our view that it is of great importance that we should give the railways an opportunity to operate as efficiently and as economically as possible and avoid adding unduly to fixed charges that are imposed upon the taxpayers and that inevitably have to be paid for and are therefore a minus factor in the economy. At the same time we must remember that the railways are large employers of labour; that the interests of the employees of the railways, our fellow citizens, must not be overlooked; and that, though change is essential in this field if the railways are to compete and receive a reasonable share of the traffic which will enable them to maintain their services out of their revenues, we must at the same time see that we do not, because of changes for which they have no responsibility whatsoever, visit hardships that are not reasonable and bearable upon a large section of the Canadian population. I think, sir, on that note I should conclude what I have to say at this stage of the proceedings.

Mr. Olson: Mr. Chairman, I would like to ask the minister whether he could give some indication, or perhaps even assurance, that after the bill is referred to the committee there will be sufficient time—I am thinking in terms of at least six weeks; perhaps two months—allowed before witnesses are called, so that the people concerned, and primarily the three prairie provincial governments, will have time to prepare their case.

Mr. Pickersgill: Mr. Chairman, I do think any reasonable suggestion of that kind would be acceded to very readily by the government. I would rather hope that it might be possible to go on quite soon, after the first reading, with the debate on second reading of the bill. Suggestions have been made that even the second reading should be delayed for a long period. I do not think that would really serve any particularly useful purpose; I believe it would be desirable to have the second reading of the bill and then have it before the committee. But I do not think we should, in committee, act in such a way as to make it difficult for any organizations or individuals who have serious contributions to make, to make them in the way they want to make them. I would certainly be very happy indeed to consider any reasonable requests for delays in these matters; but I think there should be an interval, perhaps after second reading, before the committee even undertakes its task—unless perchance there are a number of organizations that are ready to proceed, because I think these proceedings will take a long time. If a number of organizations are ready to proceed, perhaps a start could be made and then there could be an interval, if it was required by any of those seriously interested. Certainly, Mr. Chairman, if I may make a very bad pun, the government has no thought of trying to railroad this legislation at any stage.

Mr. Hamilton: Mr. Chairman, I think there must be a realization in the minds of all of us that the introduction of this bill, into the house is a very historic occasion. Railway legislation and the problems that go along with railway construction and management

in Canada are far older than the federal structure itself.

The very fact that when we built this House of Commons the largest single room in it was the railway committee room is an indication that the men who sat in their places here before us spent the greater part of their time dealing with railway problems. Now we have an introductory statement by the minister which indicates that the railways, which were once the chosen instrument of government to achieve national development, are now going to be asked to go into the position of being just another transportation company with an equal chance to grab their share of the transportation market, and with an equal chance of removing the load of carrying national responsibility which this parliament of Canada placed upon the railways.

My remarks today on the resolution stage will deal with the principle of the resolution, namely should this parliament consider first reading of a bill to expend the moneys indicated in the words of the ministers, to make this adjustment of a railways system by taking it out of the role of being the chosen instrument of the national government back into the field of free enterprise? The grants which the minister talked about are, in effect, adjustment grants to help the adjustment become a little smoother than it would be if we simply arbitrarily cut off all help.

I should like at this time, Mr. Chairman, to highlight, if I may use that word, the real significance of this legislation as indicated to us by the minister. To see this highlight one has only to go to areas of Canada where competition did not bring down freight rates. Those areas are the prairies, the maritimes and certain northern areas of all our provinces where there is no other reasonable type of competition. As a result, as costs of railway management rose, freight rate increases were applied across the board. But because freight rates in areas where there was competition—namely, in the central provinces—could not be raised, the increase was loaded on to the prairies, the maritimes and the northern railway sections.

This is not a new problem, Mr. Chairman. Using round figures, and taking a date shortly after the war, these increases in freight rates, applicable only to certain areas of our country and to certain classifications of goods carried by the railways in those areas, rose approximately 150 per cent. If in this period of a little over a decade there was a 150 per cent increase in the cost of moving goods into a particular area and the cost of moving much of the goods out of that area, it would be a high cost factor loaded on to the production end. In no place in Canada was this more severe than in the maritimes and in the prairies. All of the goods imported from central Canada were at high cost. This cost was accelerated at a rate which no other goods had to meet. So the railways situation, or the problem, as it is called, has always been of prime interest to the people on the prairies. The same type of argument would apply to the maritimes, and spokesmen for that area will no doubt remind us of it. Also a forgotten group were those in the areas in the northern parts of Quebec and Ontario, who had the same freight rate increases applied to them but apparently over the years of our history had no spokesmen in this house to speak for them.

One of the greatest of the spokesmen for the areas which were being discriminated against was M. A. MacPherson, senior. He became one of the members of the royal commission on transportation in 1959, and eventually its chairman. I do not think I am wrong in saying that any province in western Canada, whether it was governed by a Social Credit government, a C.C.F. government, a Liberal government or a Conservative government, had any doubt that M. A. MacPherson was looked upon as the man who, probably better than anyone, expressed the viewpoint of western Canada on these discriminatory rates.

I mention this highlight to you, Mr. Chairman, because the significance of this royal commission report with which we are now dealing is that for the first time we see some answer to the continually spiralling cost of freight rates. As I understand that the recommendations, according to the words of the minister, will be included in the legislation at long last, those of us in the areas of Canada which have been discriminated against know that, under the radical system of freight rate adjustments, if the increases apply at any place they apply all across Canada. They are based on certain formulas.

I said earlier that this was not a new matter. In 1951 the government set up a railways royal commission, if I remember correctly, which reported a year or so later. This royal commission grappled with these problems and the suggestion it came up with, which was accepted by the government of that day, was the bridge subsidy, whereby the federal taxpayers paid approximately $7 million a year to the two railways to bridge

the gap between Winnipeg and the head of the lakes, or roughly that area, on the C.N.R. I have read the recommendations of that royal commission. I have gone further back and read the recommendations of the royal commission of the early 1930's, and in my judgment one of the great tragedies of this whole question of governments dealing with the railways is that the recommendations of the commission of the 1930's were not more seriously considered. However, as a reasonably well informed student of these matters I know that the government was aware of the fact that we were then in the throes of the depression, and that any move in those days to make the railways efficient and to let them have some reasonable chance to cope with their rising difficulties would have practically been construed as being against the interests of the many thousands of unemployed.

When you go over those recommendations, Mr. Chairman, and think what would have happened in the last 30 years if some of them had been implemented, these losses which have piled up all during the years would never have occurred and the situation we have to deal with today would not be so extreme. So I hope that all members of this committee, regardless of party, realize that the first responsibility we have to face in regard to this legislation is that for the good of Canada we will have to get the railways into some form of rational situation where they can cope, and are just another private enterprise concern in this country.

Speaking for a moment on behalf of the farmers, at least those on the prairies, I think they want more than anything else probably to be freed from the fear that the old system which was in effect in 1958 and 1959 will be continued. Every year or two they have been exposed to accelerated freight rate increases, increases which do not apply to the great bulk of areas in other parts of Canada, and to be freed from this fear is one thing above all others which they would like. Having pointed out what I think is the highlight, and never forgetting that removing this discrimination is the main objective of us all, if this legislation frees us from that fear I think it should get the support of all parties, not just the support of the government party.

However, it is up to us in the opposition to bring forward as clearly as we can some of the great concerns we have about the implementation of this legislation.

For the sake of the record, I should like to mention one or two historical facts about the way this problem has been tackled. Many members will recall that when the government of which I was a member took office it was faced almost immediately with a succession of difficulties relating to wages paid on the railroad, always under the threat of strike of some form. These negotiations were always on the basis of a strike situation, but we met these situations as well as we could. We finally set up a royal commission, and paid a temporary grant of $50 million per year in an attempt to keep the situation stable until this royal commission report could be acted upon.

The order in council establishing the royal commission was dated in May, 1959. The first volume of its report was received by the government in March of 1961. The second volume was received in December of 1961, and the third volume in July of 1962. Even before the third volume was received certain action was under way by the government to prepare itself for the production of legislation to meet at least some of the recommendations of that royal commission. The resolution was ready in the fall of 1962 and was referred to in the speech from the throne at the beginning of that session of parliament.

One of the most painful memories I have of that session, knowing the many hours that had been used in the preparation of this resolution, relates to my feeling at the time I read in the newspapers, as evidenced by the attitude here in this house, that the opposition was determined not only that no estimates would go through, but no legislation would be passed. One of the most devastating and determined efforts of the opposition to block legislation occurred in the fall of 1962, and continued at greater lengths than ever before. We had to take certain steps, and I should like to outline for the first time in this house some of the steps that were taken.

There was great uncertainty in the country at that time as to what would happen to the recommendations of the royal commission, not only on the part of many farmers, but on the part of governments which felt affected. In the fall of 1962, after a great deal of preliminary negotiation and, if I might say so, skirmishing, we finally arranged a meeting of the officers of the two railways and the grain trading companies, pool and private, in western Canada. These two factions, old enemies as they were, faced up to the fact that the day of the railroad being used as a chosen instrument, under which all the obligations that the railroad could not meet through

revenue were passed on to the taxpayer, was coming to an end. They met in an attempt to find some common ground so that they could come together on an economic front. To the credit of all concerned, both on the side of the railways and on the side of the grain companies, pool, co-operative and private, an understanding was reached. I think generally speaking this understanding has been followed, although there have been times when I wondered if the understanding was being kept fully. I know there have been some complaints on the part of each side about the actions of each other, but generally speaking that understanding has been honoured.

On two or three occasions the predecessor of the present minister has stood in this house and said the present government would honour those commitments. One of those commitments was that we would introduce legislation and get it under way in the spring of 1963. The government changed in April of that year, and of course we could not honour that commitment. We in the opposition have not been too hard on the present government for not bringing this legislation forward sooner, because, while we knew it was ready, we knew that the new government would have to spend a good many months examining it in order to get the feeling of it and decide whether they wanted to bring it before the house. The resolution now on the order paper is almost identical to the one we prepared, with the exception of one clause, and I am sure the present minister is aware of that fact. I point this fact out because we have now reached that stage at which we have not been able to honour a commitment of time. I should like to point out that we did not expect this government to move too quickly because, as the minister has said, this is very complicated legislation.

Having described that meeting between the economic groups affected by the actual operation of the railways, particularly in western Canada, we called a meeting at the end of January, 1963 of the three prairie premiers and the officials here in Ottawa. I hope the minister has read the minutes of that meeting, at which we explained the general philosophy of the government in respect of solving the railway situation. We explained in general terms the devices we had developed to protect public interests, and we asked for their co-operation, because there were certain fields the board of transport commissioners could not cope with. We admitted this fact, and indicated that only by co-operation between the respective governments, namely the federal government and the governments of the three prairie provinces, could there be an answer to the difficulties.

Mr. Chairman, I think it is a well known fact that the great bulk of low density line abandonments recommended exist in the prairie provinces, and you will see why the remarks I make now deal specifically with that area, but apply equally to every section of the country where line abandonment is contemplated. At this meeting of the prairie premiers we outlined certain commitments, one being that during the period of the introduction of the bill, first and second readings, there would be delays enabling the representatives of those governments to prepare general briefs outlining their positions. Whatever information those general briefs contain, they are ready and have been ready for many months. We also indicated to the premiers that in respect of this question of rationalization, even though at that moment we did not contemplate such an agency or board as suggested by the minister, a fund was available and we would work very closely with them in this regard.

I should like to make one further suggestion at this time, and I hope I am being constructive. I think the three premiers agreed to the suggestion that we did not generally support the concept of an over-all study of the prairie area, but that we thought it should be broken down into regions. Manitoba lends itself very well to four main regions; Saskatchewan lends itself to nine or ten and Alberta to four or five. We thought this study could proceed while consideration was being given to the nationalized abandonment period recommended by the commission.

I think the government should also be aware of one further question which was kept separate during this meeting. We also agreed that when the truckers saw the legislation they would be given time to prepare a brief and either present it at the time of second reading or in committee. We made that pledge and I know the government will honour it, because they should.

Time is passing and I want to deal with the subject matter of the report. As I said earlier, the first principle of the report and its highlights, I think, is the recommendation of the commissioners that at long last there should be an end to unequal freight rate increases in Canada which have so plagued and divided our country economically over the last 30 years. Second, they recommend that the railways should be allowed to move out of passenger services where people did not

travel on the railways, and in this regard they recommend the five year declining subsidy to which the minister referred. Third, they dealt with the question of light density lines. This of course will be a crucial part of the debate that will develop, in that we will be concerned about how we are going to handle this situation. The railways put forward the idea, which was accepted by the commissioners, that they should be allowed to abandon light density lines where the traffic did not pay the fixed or constant costs of the railway and the variable costs of the railway applied to such light density lines. The commissioners recommended a period of 15 years in which these adjustments could take place. They said that if the railways could demonstrate that the traffic generated on these light density lines was not sufficient to meet the constant costs and the variable costs, then in the national interest they should be a charge on the government if the government wanted the railways to continue operating these lines. The commissioners recommended a subsidy for the constant cost and also a maximum subsidy applicable to the variable costs. This is a subject I want to come back to later in the debate, because I think it will be the crux of the matter in determining whether good legislation has been introduced which will meet the demands of the present and future situations.

As the minister pointed out, there is no intention to break the Crowsnest pass agreement. I know it is very difficult for people who do not come from the prairies to understand the significance of the Crowsnest pass agreement to westerners. To us this is the charter on which we base our thinking. This is the basis on which hundreds of thousands of people moved into the area, established homes and cultivated and brought into production an area of land probably equal to the greatest agricultural areas in the world. I am thinking of the Ukraine and some of the great plains of India.

I am not going to go into legalistic interpretations with respect to the Crowsnest pass agreement. The agreement was made and the government of the day picked the railways as the chosen instrument to open up this area. To encourage the railways to go in there we gave them certain land grants and cash grants and finally we got the Crowsnest pass agreement with respect to one area. However, I intend to deal with it as it affects the whole prairie area, because that is the way it should be dealt with. If a member to my left follows me in the debate I suppose he will refer

to the oil rights and mining rights that went along with the land.

A deal was made based on conditions over 60 years ago, and nothing has happened since to suggest that the agreement should be dishonoured or broken. In those days a small engine pulled a small number of cars and the fixed costs and variable costs were set. Today we have locomotives that can pull over 100 much larger cars and travel much faster. According to all the laws of economics, if the deal was economically sound then it is even sounder today. There is nothing in the evidence that any commissioner was able to dig up to prove that there are losses under the Crowsnest pass rates.

Mr. Herridge: Or on the Kettle valley.

Mr. Hamilton: I suggest to the minister that one reason why the railways have not pressed for quicker action on this legislation in the last year and a half is that exports of grain in 1961, 1962, 1963 and 1964 have been such that even a mediocre economist like myself can figure out with a pencil that they are making money on most of these lines they have set down for abandonment. I am going to have something to say about that, but not just now.

In winding up this part of my remarks I should like to suggest that if the MacPherson report and the legislation we pass to implement it end the discrimination that has existed, this report will be one of the greatest reports in Canada's history, not only because of ending 130 years of our history and bringing us into the new electronic age but because it is an end of injustice. You cannot build a strong Canada if the maritimes or prairies are suffering from discriminatory freight rates, and freight rates are such a large part of our costs.

If the royal commission report has achieved this objective, which I think is the highlight of the report, then it is to be expected that there will be honest criticism in the house in putting the report into effect without relinquishing our right to discuss the controversial parts and to make sure that the people of the country realize what this report means to them, namely at some time in the future a cessation of the continual pressure on taxpayers that they have had to undergo for over 100 years in the building of this nation.

I should like to call it six o'clock, Mr. Chairman.

Mr. Pickersgill: Before you leave the chair, sir, I wonder if the hon. gentleman would object if I pointed out that what he said was

not quite fair to the railways. From the day I took over this portfolio I have been under constant pressure from the heads of both railways to bring on this legislation, and if they have not blasted me in public they have come quite close to it once or twice in private.

The Chairman: It is my duty, pursuant to standing order 39A, to inform hon. members that the following question is to be raised at 10.30 o'clock this evening:

The hon. member for Danforth, unemployment insurance, denial of benefits to striking newspaper employees in Toronto.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hamilton: Mr. Chairman, before the break for the dinner hour I was dealing, in a very general way, with some of the history of this railway problem and pointing out near the end that the Crowsnest pass rates were a matter of charter rights to those of us in the west. I expect that some time, probably during the debate, the maritime members will explain how their interests have to be protected also. In the time that remains to me, which is not very much, I want to wind up with the strongest statement that I can on what I think the problem from now on will be, in so far as putting this legislation through, getting it accepted and making it work.

In my earlier remarks I mentioned that in the fall of 1962 through to the end of January, 1963, we had put considerable effort, as a government, in getting the interested parties on the economic side into a meeting with those on the political side and trying to explain to them what our objective was. It is very important in this type of complex legislation to have understanding and sympathy with other political organizations that are affected. There has been a great deal of talk over the last year or so about co-operative federalism. The co-operative federalism envisaged in my mind is where adult governments which have matured mentally, knowing full well what their constitutional responsibilities are, are willing to sit down on any particular subject as equal governments, regardless of political affiliation, to see if they cannot come up with some common agreement. This was the basis of my approach and the approach of the governments of the three western provinces.

I think we had an understanding. If you read the statements of ex-premier Lloyd on this matter, you will find he had the same concept. They know in western Canada that adjustments have to be made, but there are certain things that have to be said, certain things that have to be done, to protect the social and economic interests of the people there. These social and economic interests were created by the federal government in the national policies of that day. There was a desire to fill up western Canada with people. These railway lines were built as a part of that policy and the railways were the chosen instruments of the federal government. It is true that during this process of filling this vast area the railways were built where it is clear now they should not have been built. It is clear also that when the Canadian National was put together in 1919 it had the task, as the chosen instrument of the federal government, of bringing together this hodgepodge of lines as an integrated railway system. By contrast, the Canadian Pacific was built on an integrated basis and its problems in connection with applications for abandonments of lines are not nearly as great as those of the Canadian National which was left with this inheritance from this tremendous overbuilding at the beginning of the century.

It is because of this national policy of 60 years ago that we must move with great caution at this time. You cannot, in justification of human values as well as economic values, move in and arbitrarily take out railway lines on a dollars and cents formula per line. The fact that you created the situation as a result of national policy means that it must be met as a national policy. I believe I said that many people in western Canada, as well as the provincial governments, are prepared to accept the premise that in return for getting clear of this fear that there will be ever spiralling freight rates applied to them, they must be willing to accept a rational economic proposal put forward by the federal government. However, they have a duty to protect their people, and this duty must be discharged in the form of representations from provincial governments. We, as federal members from the prairie provinces—almost entirely Conservative at the present time—intend to bring our representations forward as individual members of ridings. However, a duty falls upon the provincial governments to represent the people of their provinces as well. It is in this field or arena that I would

suggest the technique of co-operative work with the provincial governments of the three prairie provinces would yield tremendous dividends.

We set the pattern in January, 1963. There has been great concern and uncertainty since because, so far as we know, they have never been consulted since. Occasionally we get from them these expressions of concern. These meetings that have been held in various parts of Manitoba and Saskatchewan during this last year and a half are indicative of the fact that the concern is widespread in these provinces. I would suggest very strongly, not only to the Minister of Transport but more particularly to the minister who is to be in charge of this rationalization program, that they frequently communicate with the governments of these three prairie provinces.

No matter how you twist and turn, no matter how you rationalize the abandonment of any of these lines there are people there who have spent a lifetime—two generations in some cases—building up the social capital of their churches, their sidewalks, their sewage systems, their water systems, their curling rinks and all the other things that make up the social capital of a community. Take a railway out of one of these towns and you may destroy the economic base of that community—

The Chairman: I have to interrupt the hon. member to ascertain if he has the unanimous consent of the committee to go beyond his time limit.

Some hon. Members: Agreed.

Mr. Hamilton: Thank you very much, Mr. Chairman. I shall not trespass too far on the good will of the committee, as I think I can finish my remarks in five or six minutes. I am trying to make the point that here you have a large number of people who, rightly or wrongly, are in a certain spot and they have invested all they own in this social capital, as well as in the private ownership of their homes. At this moment I am not including in my concern the great grain companies who invested hundreds of millions of dollars in grain handling facilities, as they can look after themselves fairly well in this type of tug of war. But I am speaking, with all the feeling I can put into my words, for these small merchants and craftsmen in the towns, who have built these conveniences to supply the people around them, all because there was a railway going through their towns.

Having said that I know there are other cases involved. In fact one happened in my constituency in 1961 when 122 miles of railway line were abandoned. I joined with the hon. member for Moose Mountain and the hon. member for Brandon-Souris in trying to get the people of that area, if they wanted to preserve their railway, to join with us in collecting information and promising certain things to convince the railway that the line should be kept there. But the businessmen had to tell us they could not take their business and hand it back to the railway, because of the time factor in modern merchandising.

Likewise, when I took the case of two or three of the communities involved to the railways to suggest that a spur line be built by the C.N.R. into the areas abandoned by the C.P.R., they were able to show that the figures of maintaining and servicing these spur lines were greater than the cost of trucking goods. Therefore we dropped our opposition. The rail line was abandoned, but I am compelled to say that these particular towns we were worried about are equal to or stronger than they were before the lines were abandoned. However the situation in that case was that the other railway was only two or three miles away, and there was no loss to the farmers. People kept coming to these communities to curl, go to church and do their business. In that particular case the abandonment of the line did not cause any harm to the social capital I have been talking about and actually it improved the economics of the two railway lines north and south.

If we are willing to look into these problems of going into an area and taking out railway lines that may well possibly have been built in the wrong places 60 years ago, if we are willing to add up the assets as well as the liabilities, then I am sure westerners will be willing to be the first to agree to a railway line being taken out, as long as the suffering or loss is not so severe that it destroys the livelihood of the people in those areas. No matter how you turn and twist there are going to be areas where the taking out of a line is not going to be serious; but equally there are areas, and I think a majority of them, where the losses will be beyond the recovery of the private individual. In these areas where losses will be beyond the individual's ability to cope with, where the small businessman, the clerks in a town, small craftsmen and, in some cases, groups of farmers, will be completely isolated, then I think governments have to accept something more than just the ordinary type of commiseration. We are going to have to do something definite, and there are many practical

proposals that could be put forward to meet the needs of those places.

With regard to this resolution I think we should make our general viewpoints known about the whole question of dealing with these recommendations of the royal commission, but really we are talking in a vacuum until we have the terms of the bill before us. Therefore I hope the members of the official opposition will join with me in suggesting it might be wise to let the resolution stage pass tonight, with each of the other parties making their views known, in order to get the bill in our hands. Then if the minister on behalf of the government could assure us of having a suitable length of time to study the bill, which is very extensive and complicated—say about 10 days—we would be in a better position.

Mr. Pickersgill: If I might be permitted, Mr. Chairman, before the next member speaks, I would give that assurance without any hesitation. It would be much more desirable to have the bill studied reasonably thoroughly before embarking on debate on second reading, and in view of the timetable which the Prime Minister put before the house it would not appear likely to impede the program of the house in any way to give that assurance, because there is other legislation available for tomorrow and Wednesday, which I think will take all the time, and next week on Monday and Tuesday we have a supply motion.

Mr. Fisher: Mr. Chairman, the minister is one person whose abilities I have a great deal of respect for, in his capacity to analyse, and also in his capacity to project his analysis into this chamber when he wants to. It is quite apparent from the introduction he gave this resolution that he has not chosen to do this and, knowing the minister, I assume that he has very good reasons for it, probably tactical.

But one might have assumed that on legislation which has been mooted so long, which, according to the minister, arose out of one of the great studies of transportation, the royal commission on transportation, we might have had an over-all presentation of the transportation policy of the government. It is now apparent we are not going to get it or, that if we get it, it will come piecemeal. It is not satisfactory to assume that we can get it at second reading, or that we are likely to get it then, and so we are left with the impression that the Liberal party's policy on transportation is a piecemeal approach, taking a bit here and a bit there, without any over-all application or any over-all plan; because the minister, I think, would have to confess that this resolution cannot really stand as the main guts of the MacPherson recommendations.

There is nothing here about a national transportation board; there is nothing about a national transportation council. And so I am left to wonder what the minister and his predecessor have been doing with their time. The minister has told us the bill has been ready for a long time. He has had time to prepare a statement on national transportation policy, because anything that has to do with the railways, and particularly the major railways, which are certainly both vertical and horizontal in the transportation business, surely has implications and requires some kind of statement on national transportation policy.

We all know the minister is capable of giving us this, and the fact that he has not done so is an indication that members of the government feel it is best to leave it this way, so that they will not arouse too much antagonism or too much interest, and maybe this is the most effective way to get it through the house.

I could not help but be slightly amused by a comparison between the resolution put forward by the minister's predecessor, now the President of the Privy Council, and this one. There are a few changes. I can just see the blue pencil of the minister from Newfoundland cutting out the phrase in the previous resolution which read:

> —to establish a branch line rationalization authority and a branch line rationalization fund to be continued for 15 years to assist in the establishment of an orderly, rational and planned program of abandonment of uneconomic branch lines—

That has been changed in the new resolution to this:

> —to establish a branch line rationalization authority and a branch line rationalization fund to be continued for 15 years to assist in the establishment of an orderly program for the improvement of the efficiency of railway branch lines;—

This is a really subtle contribution the minister has made. We have cut out those okay words "rational" and "planned". I suppose this is to take care of the free enterprise activities in the area the minister represents. Instead of the kind of ugliness of "abandonment of uneconomic branch lines," we have this much more positive statement, "the improvement of the efficiency of railway branch lines". That is a really great contribution the

minister has made to the policy as set forth in the resolution.

Mr. Knowles: He is the minister of euphemism.

Mr. Fisher: Yes, he is the minister of euphemism, all right. I would like to suggest to the minister that some time, surely, during the proceedings, if not at the second reading stage then perhaps when the railway committee is hearing the evidence and examining the bill, we should get from him some idea as to what is the government's transportation policy. A lot of people are very much interested in this. I can think of the trucking industry, the people who are involved in pipe lines, all the railway workers across the country, who would still like to have some impression of where this government stands with regard to some of the problems that are facing them.

So far as our party is concerned, we will not call any division at the resolution stage, but we are certainly sceptical enough of this legislation, from what we can see of it, to anticipate that we shall probably be speaking against it, or speaking against substantial parts of it, and voting, probably, against the legislation when it comes in. This is not put forward as any kind of threat that we are going to drag things out, but it is quite apparent that there are a number of items in the legislation revealed by the resolution that are unsatisfactory, to say the least.

One of the things that I do not think has really struck home to the people across the country generally is this. I do not think they realize what a drastic change we have had. We have had a freight rates system building up for decades; a freight rates system handled by the board of transport commissioners. We all know the tremendous number of hearings and the long attempts that were made, particularly in the 1950's and a few years ago, to equalize the freight rates, to try to make the system one that is practical and adjustable. Despite any of the vicious or mean things that might be left in the freight rates system at the present time, it was viable and it was working. Now we have to start off with a completely new slate in so far as freight rates are concerned, because the essence of what the minister and the government have plucked out of the royal commission's recommendations is opening up the whole area to competition. This sounds great; there is nothing better than competition and laws and rules in the market place to give you the best in transportation. However, I happen to come from an area that has been subsidized substantially by the bridge subsidy. I would like to give the minister an example of what happened recently with the pick up in the transportation out of our area of basic commodities. The $7 million had to be spread a lot thinner. As a consequence, in effect there was a substantial rise in the rates of certain commodities, particularly lumber. The railways, without any hesitation, went in and applied this rate despite the fact that its application immediately made much of that exportation of lumber out of our area uneconomical. We are still hoping we can stave off the increase. It has been postponed several times. But this gives you an idea of the tremendous economic pressure many parts of our country suffer when they have not competition.

We cannot get competitive transportation in the sense in which they have it in southern and northern Ontario. I do not believe we get it really on the prairies, as yet. Yet this is going to be the carte blanche that is given to this new set-up as far as we can make it out—the abolition of the freight rates structure as we know it. I suggest that, inadequate as the structure may have been, despite all the difficulties in connection with it, we are really throwing out a great deal for something that is most indefinite. I am somewhat hesitant of making a fetish out of or bowing to the shrine of free enterprise and competition in contemplation of what may be possible.

I suggest to the minister that if the legislation follows through and is introduced, what we will have here—and members had better remember this—is more delegations and more representations than we have ever had before when the new freight rates are applied and the railways put their rates on a so-called economic or competitive basis. This is one of the reasons why we want to look at that particular section most closely.

I certainly intend to call before the committee a couple of Canadian experts on freight rates, people who have had experience with them. I know at least two of them who have worked in the field for a number of years, and they think this proposal is absolutely fantastic. I refer to the proposal to suddenly throw away the whole structure, all for the sacred principle of competition. One of the other questions that the commission dealt with was this. I remember that when I appeared before the commission I put this first question to them. One of the fundamental issues we faced was, are we to throw open competition

in Canadian transportation, restricting the role of the board of transport commissioners, or move toward nationalized transportation, initially through nationalizing the railways? We got the answer from the MacPherson commission. In effect they said that our railway structure has now reached the stage where it is easy enough to get into the competitive modes of transportation, particularly in trucking, so we can have genuine competition in most parts of the country. So the thing to do is throw away most of the old, controlled apparatus; let the railways free; set them free to make their way.

This immediately raises one question in my mind about the areas where competition really will not be in effect. I would like to ask the minister how he feels a lumber exporter, or a mine that is shipping concentrates from somewhere on the north line of the C.N.R., is going to make out. Another point involved here is the whole idea that competition in itself in the transportation business is the best and cheapest way of getting things. We had one great competitive surge in railway business back from about 1896 to 1917. What did it leave us with? Right now we have a proposal from the C.N.R. that it should be recapitalized by some $800 million. We had the tragedy of over-building, all as a result of competition. People may say, "That is old stuff. They do not make mistakes like that any more". That is just where they are wrong.

You want to look at a real boob like Manitouwadge, where you have a small community of 4,000 people, with two producing mines; and we have two railroads into it. This is complete economic nonsense. There is an even bigger development up in Esterhazy, Saskatchewan, where the C.N.R. were on the site. What was one of the consequences? The C.P.R. held the government up—it certainly held a committee up—for its share in this thing. I do not know who is going to profit from the competition. All we know is that neither railway is going to get as much as would be the case if one had the natural entry that seemed to be justified by geography; and we have a duplication of facilities, plant and everything else. We must remember that even the C.P.R., with one sacred institution of private enterprise, has been terrifically subsidized, even within recent years, by the government. So here, Mr. Chairman, are two subsidized operations with a phony kind of competition.

We have another example in this horrid affair down in Gaspé, that the government has just got out of by one of the craziest undertakings that I know of.

This is in the province of Quebec, a province which does not like the federal government to interfere in its affairs. We are going to support a special road to get us off the hook for building a railway which the previous parliament undertook to build, a railway which the government knows and which the C.N.R. knew is completely uneconomic. I give these examples, Mr. Chairman, to point out that the day of stupidity in the development of railway lines is not past.

I also believe that the day of stupidity with regard to abandonment is not past, because just yesterday I discovered that the Canadian National Railways has put work trains on a line which runs from the lakehead up through Superior Junction to Winnipeg. At the same time there was a big wreck on the south line of the C.N.R. with some 40 cars derailed. The cause of the derailment was supposed to be a broken axle. That is probably true, but I do know that the roadbed on the south line is very poor. I am convinced that the intention of the C.N.R. with their work trains is to improve the northern roadbed, to increase traffic and gradually to snuff out the south line because it is uneconomic. I am sure that is the intention of the Canadian National Railways. But the way we operate results in the fact that we have communities all along the south line who do not know what is coming or what is going to be their future. No wonder the minister takes out words like "rational" and "planned" from the resolution. It will just be orderly. I should like to know how the order is going to unfold.

I suggest that the people of western Canada are getting in this legislation—and I am disappointed to discover that the official opposition, as revealed by their spokesman, seems to be I will not say enthusiastic, but certainly prepared to go along with this legislation—something that they will regret for a long time. I am not speaking just of the abandonment features, but of the whole question of a new deal in freight rates for an area which has not the protection of the kind of competition existing in other parts of the country. Why have the prairies been squawking for years? Why have we one of the most brilliant lawyers in Canada here from the province of Alberta? It is because of their realization of how vulnerable they are in the freight rates situation when competition really does not work in their favour. There seems to be a general tendency to assume that because M. A. MacPherson was from the prairies and was

a good Tory, therefore his recommendations should be suitable to the Canadian west. I think that is a bit of a misstatement. I am not going to credit or discredit the contribution of Mr. MacPherson to the royal commission, but I have the feeling that there was a couple of younger men on the commission who got the bit between their teeth. I wonder why we bothered to go before that commission. I wonder why there were such vigorous presentations when I note the fact that the recommendations seem to ignore completely what was one of the most common features of representation. Region after region in this country worried about their future in the face of wide open freight rates, or freight rates which were uneconomic and would not allow them to get their products to the market. It seems to me that western Canada has the most to lose, unless this legislation is a lot more attractive than appears at the present time.

In our part of the country we too would seem to have something to lose, unless we can get some assurances when the railway officials come before the committee that the ending of the bridge subsidy will not mean immediately an upsweep in freight rates. Quite frankly—and the minister should know this—we have not the advantages of competition in our area. One really cannot conceive of trucks hauling mineral concentrates or bringing in supplies which keep my area going over the distances which are travelled. It is for that reason that to be left to the possible mercy of the competitive free enterprise instincts of the noble railroads of Canada, when it comes to setting freight rates, that we are so worked up about this wonderful prospect.

There is another irony in this whole question of competing modes, and that is the substance of the truckers' objections to the recommendations of the commission. One of their criticisms relates to very substantial and further subsidies for the railways over another interim period in connection with both abandonment and passenger traffic. I can leave that to one side for a moment, but the fact remains that when you talk of competing modes you have at the same time these two huge organizations both expanding in the trucking business. I am wondering whether the commissioners and the government which follows their recommendations, have any idea of the trends today in the transportation business. We are not returning to the day of perfect competition when small men spring up all over the place in the trucking business and other transportation modes, the old Lincolnian ideal of the small man making his way. We are at the stage of consolidation of trucking operations, where even the biggest private operators are waiting, hoping for a bid from the C.N.R. or the C.P.R. You do not get into long haul trucking without a considerable amount of capital. At the present time the major railway companies have franchises all across the country and are in a position to expand and to exploit them.

Members who shared the committee experience with me when Mr. Gordon was before us not long ago will remember that he came to the committee and said the C.N.R. had a huge deficit. But Mr. Gordon was proud—I do not say justifiably—of the fact that the trucking operations of the C.N.R. were going ahead and were making money. How are you going to get the competing modes of transportation really chewing down the costs when, in effect, you have the development of two large universal carriers as an integrated operation? Mr. Gordon told us five years ago when the C.N.R. got into trucking that they would keep these lines separate. He did not go through with that kind of deceitfulness any longer at the last committee hearing. He told us that this was for legal reasons and to deal with provincial boards. In effect we have consolidated the whole operation. There is no reason why I select the C.N.R. instead of the C.P.R.; let us realize that we have here two giants in the transportation field. These companies are not only in railways but are very much in trucking as well, and they have a great future in trucking.

That being the situation, and with the capital support that both those railways enjoy—the capital of one of them supported by the government—how can you expect the trucking industry not to be scared and frightened and leery of proposals such as this, which are going to promise specific subsidies for another generation and also support the capital expenditures in the structure of these railways? I make this point because previously at least these lump sum payments which went into keeping down freight rates in relation to wage boosts were applied to freight rates. I wrote down somewhere—I cannot find it at the moment—the minister's statement to the effect that really what this will do is that it will get us away from large lump sum payments and pay the railways for specific things. One of the specific things is passenger service subsidies. Here is a decision to pay the railways a passenger subsidy, which seems

reasonable. The railways have complained that they have been losing their shirts on passenger service, and most of us believe them. Evidence to this effect was offered to the commission and the commission came forward and said it was the fact.

What has happened in the last two years as far as passenger service is concerned? We have all heard of the red, white and blue fares and the tremendous increase in traffic. Mr. Gordon said just a few months ago that it is too early to tell, but certainly things look better than ever. In other words, the railways modernized their marketing, streamlined their passenger operations and now things look as though they are beginning to improve; yet we are starting to give them a big subsidy in connection with passenger changes. I suggest there is something of a paradox here. Surely one does not set out to subsidize so definitive a service that is in a flux or change, and where there is some indication that with even more marketing and with a move back to a use of the rails this passenger service in many parts of the country may be able to fend for itself. Yet that is what this government seems to be doing with this legislation.

Mr. Chairman, there is one other aspect of the minister's approach, or lack of approach, or at least his lack in telling us what his approach is, which I should like to mention. I am sure he has an approach. We all know him too well to feel that he does not have this pretty well set in that very capable mind of his. There is nothing in this legislation in respect of one of the major problems of concern to the people who work for the railroads, or whose communities are sustained economically by the railways. I thought this was supposed to be such a go-ahead government made up of a group of very bright people who were sensitive to all the things that were happening and all the trends, but everyone has been talking about automation lately, the effects of it, and automatic innovation and change. We had a committee which met last year which voted almost unanimously—there was one dissenting vote—in favour of changing the Railway Act. The committee made quite clear recommendations in respect of a change to take care of that community of employees who were being shifted; but all the minister does is stand in his place and tell us that the railways are a very important part of the economy of this country, and that they employ a great number of people. He has no message in this resolution in respect of those very genuine problems which exist in this field.

It might be said that this problem should be dealt with by amendments to the Railway Act; but this is something the minister did not explain, or if he did I did not understand him. What is the relationship of this legislation to the Railway Act? It seems to me to be very lacking in general terms. It may be more explicit in the bill when it is presented, but there is either going to be a conflict or a great need for amending that act as a result of this legislation. We have received no information in that regard. In other words the minister has come forward in this house without any grand outline of intention, presenting a bill which he is willing to concede will affect a tremendous number of Canadians, but is unwilling to give us a clear statement of his intention, or a clear statement in respect of government policy. It seems to me the only excuse or alibi that can be put forward for him, and he must be clear in his mind in this regard—and surely must have worked out the situation—is that he does not want to become involved in any grand hassle on principle which might lead us into longer and longer debate.

I would suggest that if we had a little bit less stupidity on the part of the government in its tactics in this house we would not be reaching the stage of bringing a bill of this complexity in at this late date, having only ten days, which I think represents a good undertaking, to look at this bill, then send it to a committee where there will be all kinds of people who want to make representations. The minister knows that it will be a miracle if this bill gets through at this session, unless this session is going to last into next year.

What were we doing during the last three or four months, at a time when this particular resolution could have been before us? We were fooling around with interim supply and the flag debate. This was the grand strategy of those masters on that side of the house whom we just had to have back in Ottawa in order to get the country straightened out. What a collection they are, Mr. Chairman, indeed. We are now faced with a most complex resolution brought in late in the session. I suppose we will have the minister chattering away on the C.B.C. television some night in the not too distant future telling the people about the opposition blocking and getting in the way of the government in this connection.

An hon. Member: Perhaps he has learned.

Mr. Fisher: I hear someone suggesting that perhaps he has learned, but we all remember his last appearance on television.

Mr. Pickersgill: I am never invited. It is only the hon. gentleman who is on television.

Mr. Fairweather: He just wants you to ask him down some Sunday night.

Mr. Fisher: He knows that the door is always open.

One of the things that intrigues me about the recommendations of the royal commission—and this makes me very suspicious, as it makes most railroad employees—is that in only two parts of the country, or two institutions, have I found that these recommendations are really being thought of as wonderful, and those institutions are the president of the C.N.R. and the president of the C.P.R. Mr. Chairman, one would have to be a pretty innocent fellow not to be a little suspicious when Donald Gordon and Mr. Crump are just delighted about the recommendations of the royal commission.

Mr. Moreau: Do not forget the truckers.

Mr. Fisher: I have not heard of any truckers who were delighted, and if it was only the truckers who were against the recommendations I would be suspicious; but aside from one of the major unions which supported the commission's recommendations, with some caveat, I have not heard general enthusiasm for the royal commission's recommendations, except that expressed by Mr. Gordon and Mr. Crump. All I can say is that that should be enough of a guarantee, and enough of a warning, particularly to the people of western Canada in the bridge country, to anticipate that we should look at this legislation very carefully.

Mr. Chairman, one could go into a great deal more detail in respect of this matter. At eight o'clock I was talking with the hon. member for Qu'Appelle who said he really needed several hours to warm up to this particular issue. I feel somewhat similar, but I assume that we will be able to do so when the bill has received second reading and sent to a committee.

I should just like to repeat that I think the farmers and people in those areas of Canada where the competitive modes of transportation are not having their necks wrung, including railways employees and employees of the trucking industry, particularly the long haul, should be concerned and interested in this legislation.

It would just be blind stupidity to condemn legislation completely on the basis of this resolution. I do not really have any particular questions to ask the minister, and I hope that we can get this resolution through and receive the bill tonight. I would like to suggest that when the minister comes to the committee with this legislation he bring with him his usual and normal humility, plus a desire to be more expressive about the transportation policy of the government, because I do not see how he can suggest changes of this magnitude that will affect the whole transportation industry without some inkling as to government long term intentions; and this legislation does not have that. Even if, as I say, someone did place in this resolution a rational plan of approach, the minister cut it out before presenting the resolution.

Mr. Olson: Mr. Chairman, the hon. member for Port Arthur who has just taken his seat mentioned that this was a very complex piece of legislation introduced by the resolution now before us. I think it is fair to say that even that expression is an understatement, particularly when we consider the implications and ramifications which may flow from the legislation apparently to be included in the bill when it is before us.

Generally speaking the resolution before us tonight deals with three main subjects with respect to the transportation policy of Canada. It deals with what is now termed the rationalization of branch lines. As has been pointed out, this is a change from the former wording in that it used to be referred to as the abandonment of branch lines. The resolution also deals with passenger train services and the fixing of freight rates.

This history of transportation in Canada has been written often and well and I do not think anything can be gained tonight by rethreshing old straw. But I think it is fair to say that from the early days of settlement, government bodies have taken an active part in providing and regulating transportation by water, by highway, by rail and more recently by air. Generally the public has insisted that these facilities be operated on a commercial basis, that is, that the users pay the cost of services and operations, but at the same time the welfare of the public and the benefit of the nation as a whole have been a fundamental and persistent objective.

We can say that the history of Canadian transportation involves the interplay of two radically different concepts. On the one hand there are straight business principles, and on

the other hand such matters as national unity, Canadian trade, the development of new areas and matters of defence. I wish to deal only briefly with the question of passenger train services. I think it is worth mentioning at this time, as the hon. member for Port Arthur has already pointed out, that there has already been a substantial change in the past year and a half with respect to the usage of railway passenger facilities. The introduction of red, white and blue days and the introduction of special excursion rates certainly have attracted a great deal more business to passenger trains from one end of Canada to the other.

We are looking forward to celebrating our 100th birthday three years hence, Mr. Chairman, and among the plans that are being made at the present time for our centennial celebrations is the idea that it would be desirable to have a great movement of people from certain areas of Canada into other areas, resulting in an intermingling of the people from one area with those of another so they can understand each other better. It is thought that this massive movement of people to various regions of Canada during that year will help to strengthen national understanding and national unity. I do not think any reasonable member of the house will question the validity of these plans and the anticipated results. But, Mr. Chairman, during the summer of 1964, when as yet there has not been any real attempt by the centennial committee or other interested persons and groups of persons to encourage such a movement of people, we find that the railway passenger facilities have been used to the maximum all summer.

I have attempted on many occasions, as I am sure other hon. members have, to obtain reservations on some of our passenger trains and have found that there was absolutely nothing available for days and in some cases weeks in advance of the date on which I wished to travel. Therefore, Mr. Chairman, if the railways are now utilizing all of their usable equipment for moving passengers throughout Canada, what are they going to be using in 1967 for what has been described as a massive movement of people from one region to another? It seems obvious to me that even in this year the railways do not have the equipment to take care of the demands that have been made upon them, and certainly we cannot look to 1967 with any degree of optimism that the plans of the centennial committee are going to be realized. Therefore, while I believe that perhaps there is a need for some subsidies for passenger train services to keep them in operation, I think that since the MacPherson commission made its recommendations there has been a very substantial change in the use of the passenger train facilities and this should be taken into consideration.

If these plans for 1967 are going to materialize, certainly the railways are going to have to produce a lot of new equipment. Maybe prior to the MacPherson commission hearings the railways ought to have taken the action they have now taken. It this had been done they probably would not have experienced a drastic falling off in the use of passenger train facilities. We think that perhaps we have already passed the point where we need to take another look at passenger train service in Canada. I might say that the MacPherson commission came to this conclusion in its report:

> Uneconomic passenger services exist over the whole length and breadth of the nation but with different degrees of intensity... We regard the provision of these services, whether they be required by law, tradition or public policy, as national obligations upon the railways and a burden upon them and the other users of rail services.

We in the Social Credit party feel it is the responsibility of the house to assist the board of transport commissioners in determining whether there may be alternative public transportation available in some cases that could be used by people who normally use railway passenger service, provided they will not be subjected to too much inconvenience. Then there are other important considerations which must be kept in mind such as the severe weather conditions that exist in some parts of Canada in the winter and which, if no adequate public highway is provided, may result in the isolation of those areas for certain periods of time.

The minister in his introductory remarks this afternoon, and I intend to deal with this more fully in a minute, said that the government was preparing for some subsidies. I think he referred to specific subsidies rather than a grant or a large subsidy without any specific purpose. Some of the subsidies paid during the past four or five years, of course, have been in the form of large grants without any accounting being made of how the money has been used.

We believe there may be some instances where assistance could be granted to improve other facilities in local areas, particularly highway transportation, and that if this were done the money would be better spent.

Now, Mr. Chairman, turning to this matter of what is called the rationalization of branch lines or railway line abandonment as it used to be called, I should like to say, without going into too much detail, that I do not believe there has been any single commission report that created so much stir in western Canada as the MacPherson report, which contained some recommendations respecting railway line abandonment. In fact, the governments of the three prairie provinces have held a number of meetings during the past year and a half trying to work out some concerted presentation to make to the federal government respecting this matter. In addition to that, there were a number of meetings held in Regina at which there were representatives from almost every provincial and national organization in the provinces of Saskatchewan, Alberta and Manitoba.

I do not want to spend the time of the committee tonight dealing with many of the submissions that were made. However, there certainly seem to be unanimity in at least one area and that was that before there is any progress from this point on in allowing the board of transport commissioners to authorize the abandonment of any more railway lines, there should be a minimum grid system set up. In other words, there should be an orderly process for the abandonment of these particular branch lines that do not serve a useful purpose. In so far as we are concerned, we take the position that there should not be blanket opposition to all abandonments but rather that each case should be considered on its merits. Even these individual cases, however, should not be presented to the railway commissioners, parliament should not even allow such presentations, until we know what the plan is for the over-all rearrangement of railways, particularly in western Canada. We think, too, that those lines which are resulting in substantial deficits being loaded into the freight rate structure should not be abandoned unless local transportation requirements can be provided satisfactorily by some other form of carrier.

We believe that the first essential is that the railways should prepare a projected program for proposed abandonments which should be extended over a period of time to afford the communities affected an opportunity of knowing in advance what is proposed, in order that they can satisfy themselves as to whether or not the abandonments are justified, and if so adjust their local transportation programs to other forms of transport such as highway transport. I did not hear the Minister of Transport say this afternoon whether or not the government has accepted that principle. He has talked about a 15 year period. He has talked about a fund that may be required for this length of time. But I did not hear him say that the government was prepared to insist that the railways come forward with a projected program of proposed railway abandonments. Along with that projection, the government and the railways should indicate what they consider to be a minimum grid system, particularly over the three western provinces. If he did say that and I missed it, I am sorry. It seems to me, after all the representations that have been made to the federal government, they ought to have accepted this principle as a first requirement before going into railway abandonment of any kind, and even before accepting responsibility for setting up a fund to provide for some of the adjustments that will obviously be necessary.

When I say that in so far as we are concerned we do not take blanket opposition to all abandonments, I should like the minister to know that we do not believe that any community should be abandoned to the point of isolation. This is so obvious it hardly needs to be said. There may be places, in fact I know of places, where highway transportation is far more economical. It is far more convenient. The proof of this statement is that highway transport is being used to such a degree there is little or no use being made of the railways, in spite of the fact they are there and there is a schedule of trains provided. I know, for example, in my own constituency of a branch line that serves two or three small towns. A few years ago the railway services into these towns were very important, particularly in the wintertime. Until a few years ago, there was no other way of getting the grain out of these towns, and they are grain growing communities. During the past two or three years all the mail and all the l.c.l. or local freight, all the passengers moving in and out of these communities, as well as all the grain, has been moved by highway transport to the mills in Medicine Hat.

It seems to me obvious, Mr. Chairman, that in such a case where the railway is not being used at all for any of these railway services that were so essential a few years ago, it would be stupid on our part to insist that they be maintained, that the right of way be maintained and that they maintain regular train service into and out of these places. However, when the minister accepts the concept that the government is prepared to pay

certain moneys out of the federal treasury in connection with these lines because of deficits that may be incurred, it is time for consideration to be given to whether or not the federal government could make better use of that money by assisting the municipalities, through the provincial governments, in upgrading highway transport. I know that the minister of highways in the province of Alberta has, over the years, been urging the federal government to assume some responsibility for a grid system of highways throughout Canada. This has been done in the case of the trans-Canada highway. So far as western Canada is concerned, it is the only one. We know that recently the federal government changed positions with regard to the proposed railway in Gaspé and allocated at least a portion of that money for a highway in that area.

I believe that the time has come when the responsibility for the trans-Canada highway and for many other highway development projects should be transferred from the Department of Public Works to the Minister of Transport. I say that because as the importance of highways increases in Canada, and that is happening every year, there should be an assumption of responsibility for them by the federal government.

I am not trying to take anything away from the Department of Public Works which has its responsibilities for the trans-Canada highway and, latterly, for the Alaska highway, but there is a principle that ought to be accepted by the federal government, the principle of providing a network of good highways for the movement of people and goods to market. It is only logical that this responsibility ought to rest with the Department of Transport.

Substantial subsidies will be paid out of the federal treasury to maintain some uneconomic railway branch lines, knowing full well that these lines will tend to be of diminishing importance. In that case possibly the money would be better spent if the federal government gave assistance to improving the highway links serving communities where branch lines are uneconomical.

The minister said the government had no intention of interfering with the rates established under the Crownsnest pass agreement. In this connection one point was mentioned briefly by the hon. member for Qu'Appelle, that in the minority report of the royal commission Mr. Gobeil of Quebec disagreed completely with the railways' contention that they had any losses as a result of hauling grain. He agreed that on some of the low density branch lines losses could be incurred on the movement of grain, and we in this party think additional proof would have to be provided, through a proper accounting method, to show whether or not there were losses. We recognize costs have gone up terrifically for all the services the railways must purchase, but it would be fair to say there has been a corresponding increase in the efficiency of moving grain. By that I mean the loads they are hauling out to the lakehead and the Pacific coast are now several times the size they were when these rates were set, and in many cases they are being hauled out with less labour than in those days.

We agree with the members who have already spoken, that it would be better to wait until we have the bill in our hands before making further contribution to this debate. The resolution contains one phrase dealing with the fixing of freight rates "under and consistent with a national transportation policy", which certainly does not spell out in detail what the government intends to do with the very complicated rail tariff structure.

As the minister well knows, the province of Alberta has been much concerned about the matter of freight rates and, as the hon. member for Port Arthur pointed out, has kept one of the most brilliant lawyers in Canada here in Ottawa for a number of years, to keep watch on the federal government whenever it attempts to play around with freight rates. Every time there has been an upward adjustment in rail tariffs we in Alberta usually get the lion's share of the increase. We happen to be near the continental divide which appears to be a kind of tariff divide for the railways, and we get the worst coming from both ends. Many commodities can be transported by rail from central Canada to Vancouver cheaper than they can be shipped to points in Alberta, despite the fact that Vancouver is 1,000 to 1,200 miles further away. Therefore when the minister seeks to amend the freight rates structure this time, we hope it will not be a repetition of what has happened so many times in the past.

There have been instances of 10, 12 and 17 per cent increases in freight rates across the board, and if this principle is applied in those areas where there is a virtual monopoly in transportation then there is need for some government regulation.

No doubt we shall have a great deal more to say about some of the provisions in the

bill, but first we need to see it. Further, following the question I asked the minister this afternoon, I want to say to him we know the report of the royal commission has been in the hands of this and the previous government for many months. It may be argued that already too much time has gone by, but it is absolutely essential that the experts in this field, such as the counsel for Alberta in Ottawa—and I may say Manitoba and Saskatchewan have their own experts—should have time to prepare their arguments. I have talked many times to the counsel for Alberta and he thinks he and his colleagues would be able to prepare arguments in six weeks. I am not asking for any undue delay when the bill goes to committee, but I do plead with the minister that he allow at least six weeks from the time the representatives of the provinces see the bill until they prepare and present their cases.

It will be up to the committee to decide how long it wants to hear such submissions but, as the minister pointed out this afternoon, I am certain they will not railroad it through to the point where they prevent any valid representations or arguments being made to the committee. A minimum of six weeks should be allowed for these people to prepare their cases, and following that it may be desirable for the committee to allow another three or four weeks for these people to prepare rebuttals to other submissions made to the committee.

The lifeblood of the economy of many communities is dependant on railway transportation. In view of this, and if there is going to be a large departure from the tariffs controlled by the government, taking into account competitive factors, ample time should be allowed so that all interested parties may be heard.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I would be remiss if I did not sincerely congratulate the Minister of Transport (Mr. Pickersgill) who has set out his resolution in a simple, clear and specific way, without any political partisanship, but rather with the purpose of introducing legislation he is bent on.

We seldom see a minister do that with so much simplicity, and I think it is proper to congratulate him for having done so this afternoon.

However, his resolution, like all those we had before us, is couched in rather vague terms. This is not peculiar to this case, but to all resolutions presented to us. In fact, everyone gets up and says: Well, since we do not quite know what it is all about, since we do not know what the bill will be, let us wait and see.

All those who spoke before me repeated the same thing: before offering our criticism and observations, before making suggestions, let us wait until we see the bill.

Therefore, I wonder, after sitting in this house for two years and a half, whether the resolution stage is essential to parliamentary procedure.

Indeed, I wonder like those who rose before me, if I should discuss the bill, since I do not know what will be in it.

Therefore, it might be proper to question the usefulness of this stage in our parliamentary procedure.

So, I shall say, like all the others—and it is normal—that I shall wait to see the bill in order to know exactly what is in it before offering my observations, my comments and my suggestions.

Mr. Chairman, all previous speakers mentioned the part played by railways within the context of Canadian unity.

In the past the part played by railways was far more important than nowadays to achieve some kind of economic unity, because they were connecting various regions with one another, and encouraging the export trade of certain goods.

But nowadays, our very modern roads, our superhighways, where trucks as long and spacious as railway cars can roll, the St. Lawrence seaway which runs from the Atlantic to the great lakes and which allows the shipping of wheat and grain stored in elevators, planes which are more convenient and not much more expensive for the transportation of passengers from Halifax to Vancouver, Toronto or Winnipeg, in short, other means of transportation, including individual transportation, have become as important if not more so than railways for the Canadian economic and political unity.

Therefore, those new means of communication, such as air transportation and the St. Lawrence seaway, and especially the trucking business, should not be destroyed in an attempt to overly assist the railways.

It is essential to find a happy medium likely to satisfy everybody and to enable us to achieve our aims.

The government must see to it that what has to be done is done, whether it be by the railways or by the trucking industry. It must not help one at the expense of the other, but

as I just said, it must see to it that what must be done is done in the best possible and economical way.

Such is the part to be played by the government. Let us not destroy private enterprise, the trucking business, by providing too much assistance to the railways. Let us try instead to find a happy medium while enabling everyone to survive and to render services, because planes, trucks and ships are just as useful as railways in our modern age.

We must therefore find a solution which will not benefit one to the detriment of the other, but which will help all transport services.

The Minister of Transport is called the minister of "transport" and not the minister of national railways. When we say "minister of transport", the term may apply to truck, ship, air or rail transport. The minister must represent all those means of transport and not only one.

To penalize the trucking industry in order to save the railways would be a monumental blunder, because it would not foster unity in the country; quite the contrary, it would perhaps contribute to its destruction.

It was also mentioned that we have an obligation toward the thousands of railroad employees. I quite agree. We must see to it that they have good working conditions and good salaries.

But we also must think of the thousands of employees of the trucking industry as well as of the small truckers and even of the large ones who earn their living in the transportation business and whose need to survive is just as great as that of the railway employees. All must be placed on the same footing. All must be helped as much as possible, because they all serve the Canadian community.

However, the resolution contains one point which leaves me rather sceptical. In the middle of the paragraph, for instance, it is said:

> —to provide for payments out of the consolidated revenue fund on a reducing scale for a period of five years commencing with 1964 to compensate railways under the jurisdiction of parliament for passenger train deficits incurred in Canada during such period;—

Mention is made of the deficits of passenger services included in the services as a whole, but only for railways under the jurisdiction of parliament, namely the Canadian National Railways.

Now last year, when we studied the last report of the Canadian National Railways, it indicated a surplus of a few million dollars. It will be said that on the whole, there has been a general deficit and it is true. Why? On account of the debt charges and the payment of interests on the debt of the Canadian National Railways.

When the president of the company, Mr. Donald Gordon, last appeared before the committee on railways, he asked the federal government to recapitalize its debt and stated that afterwards the company would show a surplus.

Well, if the C.N.R. gets a recapitalization of its debt and if it shows a surplus, at that time it will not have a general deficit—there might be a deficit in a certain area, but not a general deficit; for its operations as a whole, it would have a surplus.

And now you would have a government business with a surplus which would nevertheless be subsidized by the government to pay for a deficit which would exist in a given area of operations, namely, in the passenger services.

If there is a deficit in the passenger services but a surplus for the operations as a whole, this surplus should be used to make up for that deficit. It is as simple as that.

As the C.N.R. president stated himself before the committee, once the debt is recapitalized, the C.N.R. would have an operation surplus. So, I do not see why we should go on giving them grants for certain services so that this company may come and say: we have a surplus. Let them use their surplus to make up their deficit. That is what every private company and every business man does. If a man has several businesses and if one of these has a deficit, he makes it up with surpluses from his other businesses.

So, if the C.N.R. has a surplus it should not get grants to make up a deficit in a certain area.

As far as the C.P.R. is concerned, I believe it showed a revenue of $30 million last year, after taxes. A profit of $30 million from its over-all operations. It does not appear that it would need a government grant to cover a small deficit in its passenger train service.

Mr. Chairman, I will not say any more for the time being. Like the others I will wait for the introduction of the bill.

However, in conclusion, I would like to draw three points to the attention of the minister.

First, we cannot accept that the government, through a crown corporation, subject private industry to some underhanded competition, using taxes paid by that industry to do so.

In other words, we cannot accept that the government use the taxes paid by the truck-

ing industry to subsidize the C.N.R. To act otherwise would be to destroy initiative and personal ambition and to remove any incentive to expand on the part of such a vast sector of private enterprise as the trucking industry. That is inadmissible.

If the government feels rich enough to give subsidies, I have no objection but let it subsidize all transport companies so as to prevent any unfair and underhanded competition at the expense of part of our society.

Second, we have before us at this time a resolution concerning the railroad industry. When looking through the order paper we find that there are other resolutions concerning the railways—No. 51, for instance, relating to the Canadian National Railways.

I am asking the minister whether—as there are various bills concerning the C.N.R. to be introduced, one of which concerning the recapitalization of the C.N.R. debt, which might be considered simultaneously—it would not be possible to submit or introduce all those bills immediately? We might pass all those resolutions very quickly and refer them all to the committee, to proceed with a study of Canadian railway matters, which hardly can be made bit by bit, or piecemeal, but by considering the railway problem as a whole. Suggestions and recommendations would then be made concerning not one specific area of railroading, but the overall aspect of those problems which complete each other and are interconnected, as in the case of the recapitalization of the C.N.R. debt, which is certainly directly linked with the proposed subsidies to meet the deficits which may be incurred in some respects.

Under resolution No. 51, there is a question of financial claims by the C.N.R. We find a similar claim under No. 35. Could the Minister of Transport not immediately move resolution No. 51? It might then perhaps be passed more quickly than the resolution now before us.

Then we would refer all that to the committee on railways and the members could thus examine the over-all problems and submit a more comprehensive solution. This would certainly be more satisfying to the railways as well as to the members, who could study those problems all at once.

Hence I submit, and I believe everybody would agree to this, that once this resolution has been adopted, we should deal with all the other resolutions dealing with the national railways, and which are all concerned with related problems, so as to enable the members to have an over-all outlook and to make a more intensive study of all those problems.

[Mr. Grégoire.]

Third, and it is my last suggestion, or rather the one before the last, reference is made to the abandonment of railway lines, especially in the west. There is something peculiar about that. I wonder whether we could not obtain retroactivity in that field? I say this because in the province of Quebec, the abandonment of railway lines program has already been carried out.

That program has been completed for some ten years. If you take the line from Quebec to Ste Anne de Beaupré and Baie St. Paul, you realize that that line has been eliminated for several years. That abandonment of railway lines program has been completed. But when the time comes to abandon railway lines in the west or in Ontario, well the decision is taken to proceed in such a way as not to affect those regions.

Yet, as far as the province of Quebec is concerned, a program of abandonment of railway lines was adopted first and then carried out. But as regards the west and Ontario, things were postponed and principles are brought up. There is even a plan to assist cities, which was not done in the province of Quebec.

Could there not be some kind of retroactivity in order to assist the province of Quebec in that field as it is done in the rest of the country. We are not asking for the same amounts, but for some retroactivity for Quebec, the same benefits as are given the other provinces in establishing this program of abandonment of uneconomic railway lines.

I think it could be done. I suggest that the minister should try it.

The fourth and last recommendation I should like to submit to the minister is perhaps of less importance than the preceding ones. I was looking forward for the opportunity to make it today and I am availing myself of it now. In concluding, I would like to submit it to him. Certain innovations have appeared in the national railways. Some of them were good and some others were not as good and not as successful. The opportunity seems well at hand for me to make this recommendation to the minister.

It is because electronic kitchens have been installed on some C.N.R. trains. Everything is cooked in 30 seconds but it is just not fit to eat. Therefore, I wonder if one must prefer inferior food, less expensive and prepared more quickly, to better tasting and healthier food. Therefore, I wonder if the minister could not take this opportunity to forward those recommendations to the president of the C.N.R.

I close my remarks by saying that we are happy that this bill is being referred to a committee. We will study it without prejudice, trying to favour the country's economic development in one of its important areas. On the other hand, we will be very firm on one point, namely that the government must not help some areas of the transportation industry to the disadvantage of others. In that connection, we will stick to ideas formulated in this house on many occasions.

[*Text*]

Mr. Pickersgill: Mr. Chairman, I do not think it would be profitable or in the spirit of the debate so far if I undertook to make any lengthy reply to the observations which have been made by hon. gentlemen opposite this evening. I intend to deal with all the points which have been raised on second reading of the bill. There are, however, one or two points that perhaps I did not clarify sufficiently, and it would leave a wrong impression if I did not say a word about them.

The hon. member for Lapointe, who has been missed while he has been visiting other parliaments, said something at the beginning of his remarks which I must say has often occurred to me, and that is that I wonder whether this vestigial remnant of medieval times, known as a resolution before a money bill is any longer really necessary. In Australia it has been abolished completely, and they seem to get on pretty well without it. I am rather hopeful that this is one of the things that will be looked at by the committee on procedure, but that is hardly within the scope of our debate this evening.

The hon. gentleman also inquired whether item No. 51 on the order paper could be taken immediately after this order, advancing it, so that the bill would be made available. Normally I would hesitate to say anything, especially in view of the fact the house leader has just come in and is casting a baleful eye in my direction, but I think if the committee would agree to such a proposition, and put this through without any debate, that would be very sensible.

Perhaps I should point out that this is the annual resolution which, by statute, has to be put forward each year by the minister of finance in respect of the ordinary annual financing of the C.N.R. There is nothing new, revolutionary or unusual about it at all. However, if the house were disposed to get the bill before us right after this resolution, and before embarking on the next item of business, I am sure the house leader would not object. I will not say more than that.

Perhaps I should say a word in reply to one or two of the remarks made by the hon. and conservative member for Port Arthur, who seemed to be suspicious of any change or anything new during the whole course of his speech. He objected very much to my leaving the word "rational" and the word "plan" out of the resolution, as they appeared in the resolution that was placed before the house during the last session of parliament. It did seem to me that "rationalization", if it means anything, means that this should be done rationally, and that it is a little redundant to repeat it. I did say at the outset of my observations this afternoon that what was being proposed was something that was, and while I did hesitate a little about it I did use the word, "revolutionary". I would have thought that would have been welcomed by the hon. member, but apparently it was not.

The hon. member did point out a real deficiency in my observations this afternoon, and I should like at this time to correct this very serious deficiency. I should have said something about the problem to which he referred when he mentioned particularly the head of the lakes, but which has application in two respects. It has application to certain areas of the country and application to certain commodities. The railways still in certain areas have a monopoly or a quasi monopoly. There is no thought whatever, in the legislation that is going to be proposed, of ending the regulation of rates in those cases where the railway has a monopoly or quasi monopoly and where, in other words, the shipper has no real alternative. Provision is being made for the maintenance of regulated rates, as should be the case. There must be effective competition, and the hon. gentleman and I are both pseudoeconomists and realize that perfect competition does not exist in this field or in many others. It is only where there is effective competition that, in the view of the government, regulation is not necessary. In those areas, whether it is in respect of certain commodities or certain regions where the railway is the only practical mode of carriage, regulated rates will be maintained. I really think I did not say anything about them, and that was a very serious omission from my observation.

I must say there was another omission, although I do not think it was as serious, but which I wish to remedy immediately. In the main this legislation will not involve a new act but will be an amendment to the Railway Act. There is no danger of any conflict with the Railway Act because it will replace some-

thing in the Railway Act that needs to be replaced in order to carry out the intent of the bill. It will also, in an ancillary way, amend one or two other acts; but in the main it will only represent an amendment to the Railway Act.

The hon. member for Port Arthur and the hon. member for Medicine Hat both dealt with a problem which is certainly one of the most serious in connection with this legislation, and that is the method by which abandonments, rationalizations or more efficient planning of branch lines is to be carried out. I was really hurt by what the hon. member for Port Arthur said when he referred to my English, because I did think it was rather an improvement to talk about obtaining more efficient operations than about abandonment of things. The resolution refers to improved efficiency of railway branch lines. Anyone who is familiar with the prairies will know that in many cases in the days when there was, what the hon. gentleman would call more perfect competition, Mackenzie and Mann built railways paralleling railways that had already been built by the C.P.R. In some of those cases neither line is a paying proposition, as long as both are in existence. However, if one of them is removed the other will probably be self-supporting. This is precisely the kind of situation in each of the various regions of the prairies the government intends the rationalization authority should consider before abandonments are permitted.

Mr. Chairman, I do not intend tonight to go into all the detail that will be included in the bill, about how this process is to be carried out, because this is rather complicated and I think we should have the document before us so we will all be on equal terms when we are debating it. I did however want to make it quite clear that it is to avoid a situation which has existed in the past, where each case was considered in complete isolation from all the rest of the structure of the railways, that we are proposing this legislation, and substituting for that type of consideration a consideration in respect of the effect on the whole region, and proposing, moreover, that it shall be under the jurisdiction of and responsible to the Minister of Agriculture. I have been asked why this was being done. It is being done precisely because, in the main, the users of the railways, which in most cases are candidates for abandonment, are farmers, and it is because the rationalization authority will be considering primarily the economic effect on a community and not primarily the interests of the railways, that it seemed more appropriate that the minister who was more familiar and perhaps more directly concerned with the interests of the consumers of railway services, should have charge of that authority.

There is just one other point I think perhaps I should mention. I hope that the intervals of time suggested by the hon. member for Medicine Hat are a little greater than will really be necessary, because if we are going to have six weeks before the committee can even start, and other adjournments of perhaps three weeks, it does look as though the hon. member for Port Arthur may be right about the prospects for this legislation. At the same time, it would be far better to get the legislation right than to try and get it hastily through and have it wrong, because I think even the limited debate we have had so far does justify one observation I made, that this is a subject that is very close to all of us in this country. Railways and railway legislation are really still of the utmost economic importance, the utmost social importance and the utmost national importance. Even if it takes a lot longer than some of us would like, we must be sure that we do this job properly and with all the wisdom we can bring to bear upon it.

Resolution reported and concurred in.

Mr. Pickersgill thereupon moved for leave to introduce Bill No. C-120, to amend the Railway Act, the Transport Act and the Canadian National Railways Act, and to repeal the Canadian National-Canadian Pacific Act.

Motion agreed to and bill read the first time.

BUSINESS OF THE HOUSE

Mr. Favreau: Mr. Speaker, I wonder whether it would be the pleasure of the house to dispose of now, without debate, item No. 51, which was referred to a few minutes ago, so that the bill could be placed in everybody's hands. I refer to the measure to authorize the Canadian National Railway Company to make capital expenditures and to supply the financial requirements of affiliated companies in the year 1964.

Mr. Churchill: Mr. Speaker, this is a remarkable change in the attitude of the hon. member for Lapointe over the years because I think this is the legislation on which he has always taken the opportunity to deal rather

strenuously with the operations of the C.N.R. What has caused the sudden change in attitude?

Mr. Fisher: Bilingualism.

Mr. Knowles: He can still do it on second reading.

Mr. Grégoire: We will have an opportunity then.

Mr. Churchill: Will he assure us he will not continue his talk of other years on second reading of this bill?

Mr. Grégoire: Why not?

Mr. Churchill: As far as we are concerned, Mr. Speaker, although it is a rather unusual procedure and we think that items like this should be brought to our attention at the proper time when the business of the house is announced, we will nevertheless go along with the proposal.

Mr. Deputy Speaker: Agreed?

Some hon. Members: Agreed.

Mr. Fisher: Mr. Speaker, this bill does not normally go to a committee. We will see the bill when it is introduced and it will not go to a committee.

Mr. Grégoire: If it is not going to go to a committee, we are opposed. We thought it would go to a committee at the same time as the other bill so that we would be able to discuss all these problems in committee and have a general idea of all the problems of the C.N.R. That is what we would like and I should like to have an answer from the minister.

Mr. Fisher: Of course it will go to committee of the whole.

Mr. Grégoire: No, I mean the committee on railways. Will it not go to the committee on railways? I should like to ask the minister that question. Will it go to the railway committee?

Mr. Favreau: I am advised it never has and it is not the intention of the government that it should go before the committee on railways.

Mr. Grégoire: Then we are opposed, Mr. Speaker.

Mr. Fisher: Mr. Speaker, I wonder if I could take the time to make my point. Only last July we had Mr. Gordon before us. The hon. member was there and we went into everything connected with the C.N.R. This is not the big measure by way of recapitalization for which Mr. Gordon is looking. This is just the normal money bill. I suggest to the hon. member that on this other measure he can take up almost anything in which he may be interested. Therefore I hope the hon. member will change his mind.

Mr. Grégoire: No, Mr. Speaker. If this measure goes before the committee along with the other one everybody will then realize that under item 51 we are giving so many hundred million to the C.N.R. and under item 35 so many hundred million to the C.N.R. We would also like to have the bill on recapitalization sent to the committee at the same time, so that we could have the whole picture of all the operations and what they cost and try to make necessary changes. We would like to have the bill sent to the committee. I may tell the hon. member for Winnipeg South Centre that there is no change in my opinion. We would like to see the bill sent to the committee and then we could discuss all these measures.

Mr. Pickersgill: Mr. Speaker, I think perhaps I should make the situation clear, because I believe the hon. member may be under a misapprehension. This measure has nothing to do with recapitalization. This is an annual bill which has to come before parliament every year. It has always been treated as something rather close to a matter of routine. It is really a kind of audit of the C.N.R. and the bill has never been sent to a committee because the C.N.R. in its annual report traverses a much broader field. I think it would be rather a mistake to depart from the normal procedure and agree to send the bill to a committee simply for the sake of having the resolution passed and getting the bill before us. I would not feel competent, and I doubt that the Minister of Justice would either, to commit the Minister of Finance, whose bill it is, to an unusual course of that kind. Therefore unless the house can see fit to carry out the original suggestion of the hon. member for Lapointe that we dispose of the resolution and give the bill first reading—there will be ample time on second reading and in committee of the whole to consider it—I think we had better go on with the business that was prescribed.

Mr. Grégoire: It is not my proposition, because my original proposition was to send it to a committee. If that is not to be done we will not agree to pass the resolution without debate.

Mr. Churchill: That is terrible. We would like to accept the original proposal of the hon.

member for Lapointe. I think it was a very good one.

Mr. Olson: Mr. Speaker, just so the record will be complete and there will be no misunderstanding of our position, may I say we believe that any question that could be asked with regard to the bill to follow the resolution in order No. 51 can be asked when the bill to follow the resolution in order No. 35 is sent to the standing committee. We also think it is far better to spend a great deal of time in detailed discussion after we have the bill and know its details. For that reason we would agree to pass the resolution so that we could then have the bill before us.

Mr. Deputy Speaker: Is there agreement that order No. 51 will be called at this time with the understanding that the resolution stage will be disposed of immediately?

Mr. Grégoire: No, Mr. Speaker.

REDISTRIBUTION

PROVISION FOR BOUNDARIES COMMISSIONS AND READJUSTMENT OF REPRESENTATION

The house resumed, from Thursday, April 23, consideration in committee of Bill No. C-72, to provide for the establishment of electoral boundaries commissions to report upon the readjustment of the representation of the provinces in the House of Commons and to provide for the readjustment of such representation in accordance therewith—Mr. Pickersgill (for Mr. Pearson)—Mr. Lamoureux in the chair.

On clause 6—*Appointment of chairman.*

The Chairman: When the committee rose on April 23 last, clause 6, with an amendment thereto proposed by the hon. member for Winnipeg North Centre, was being considered. Is the committee ready for the question on the amendment?

Mr. Pickersgill: Mr. Chairman, I think before we resume our consideration of this item I should like to make a suggestion to the committee. I suggest that rather than continue at this particular time today, since we hope this bill will come up again, we suspend the consideration of clause 6 and perhaps also the consideration of clauses 7, 8, 9 and 13. Then, we should try to dispose of the other clauses, which are I think largely non-contentious, in the short time that remains this evening. I think possibly if we had an opportunity between now and the next time this bill comes up to have certain consultations we might make greater progress with the clause we were considering. I am just offering this as a suggestion.

The Chairman: Is the suggestion acceptable to the committee?

Mr. Churchill: It sounds like a very reasonable suggestion, Mr. Chairman, but there may be some clauses which hon. members who do not happen to be in the house this evening might wish to discuss. I would be content to follow the proposal of the Minister of Transport with the slight proviso that if some absent member indicated, when he returned, that he wished to deal with one of the clauses which had been passed he might have that opportunity. The thing I fear right at the moment is that we might make a mistake. We are coming to this rather hurriedly tonight and we were expecting to continue the discussion of the amendment rather than proceed with the other clauses. I do not want members to be embarrassed by finding that this evening, at five minutes after ten, the committee rushed along with the clauses which might be of considerable interest to members who are not here.

Mr. Pickersgill: I appreciate that many of us did not think we would reach this bill this evening. I do not believe anyone would want to deprive any member of the opportunity to say whether or not he had any serious objection to these clauses, so they might be carried on the understanding that if any hon. member wished to make some serious observations relating to some of these clauses he could make them on a later clause that had not been passed.

Mr. Knowles: I should like to support the suggestion that has emerged within the last few minutes. Perhaps clause 32, which seems to refer to all the clauses in the bill, might be the one upon which any such missed contributions could be picked up.

The Chairman: Is that agreed?

Some hon. Members: Agreed.

Mr. Pickersgill: Perhaps we could call clause 10.

The Chairman: Shall clause 10 carry?

Clause agreed to.

On clause 11—*Return of dominion statistician.*

Mr. Fisher: I just wanted to ask a question for the purpose of seeking information. Are we to assume from the information the minister gave previously, and the experience some

of us have had, that the chief electoral officer has preparations in effect so that the intent of this particular section, in administrative terms, has already been carried out? Are the preparations practically complete, if you read this as applying to the census taken in the year 1961?

Mr. Pickersgill: I am afraid I did not catch the purport of the hon. gentleman's question.

Mr. Fisher: Well, this section is setting up preparations for what shall be sent by the dominion statistician. Are we to assume—

Mr. Pickersgill: Is the hon. gentleman speaking about clause 10 or clause 11?

Mr. Douglas: Clause 11; clause 10 was passed, I thought.

Mr. Fisher: I assume that this has already been done for the 1961 census. My question is, is this a fact?

Mr. Pickersgill: I do not believe it could be done in the sense in which the legislation is drafted, because this is not an act of parliament. Certain computations may have been made which would be the basis for carrying out these instructions of parliament, if parliament ever does give these instructions. I could not say whether or not they have been formally, but I feel quite sure it is well known to all hon. members that computations have been made based upon provisions of section 51 of the British North America Act.

Clause agreed to.

On clause 12—*Calculation of members to be assigned to each province; preparation of report.*

[*Translation*]

Mr. Grégoire: Mr. Chairman, with regard to clause 12 of the bill, there is one point I wish to refer to. As a matter of fact, I did not expect in the least we would reach this section—

[*Text*]

Mr. Pickersgill: I beg the hon. gentleman's pardon for interrupting him. I believe I inadvertently said clause 13 should stand when it should be clause 12 which should be held up pending the passage of the rest of the bill, because I think it is clause 12 that contains the tolerance feature which I am sure the committee will want to debate.

Mr. Knowles: No, it is clause 13.

Mr. Pickersgill: Well, I was just a little bit hasty.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I was saying that we did not expect to reach clause 12 tonight, because we know an amendment and a subamendment will be moved to clause 6. We thought clause 12 would be considered tomorrow.

However, since this clause is before us tonight I shall make the remarks I intend to make just the same.

I wanted to point out first of all, regarding section 51 of the B.N.A. Act—if I give the wrong figures, I hope the house will excuse me, because I did not bring the necessary material tonight, not knowing that we would be studying this section and I am caught a little off my guard—

In the past, as far as ridings are concerned, it was provided that there would always be 65 in the province of Quebec, in relation to the rest of the country. The number of ridings could change, but always on the basis of the population in the province of Quebec: dividing this population by 65 would give the equivalent number of ridings in the province of Quebec in relation to the population in the rest of the country. It gave the number of ridings for the rest of the country, and the number of members of parliament for the province of Quebec remained the same.

I do not have the original text of section 51 of the British North America Act, but I think that it was changed at a certain time to increase the number of members of parliament to 75 in the province of Quebec, and for the rest of the country, the number of ridings would vary in relation to the population in proportion to what it was in the rest of Canada, while in the province of Quebec it remained at 75. Now this is going to be changed, but how is it going to be changed? It is not stipulated in the legislation. It is said:

Subject to section 51.

Who will mention the fixed number of 75, while the rest of the country will vary according to population?

In the province of Quebec there is an election act dating from confederation. In the text of the confederation, it is said that in the province of Quebec there shall be some ridings which will not change. Why? Because at that time, in 1867, there was in the province of Quebec an English minority which was living mainly in some ridings called eastern townships.

It was provided that these constituencies would not vary, even though the population

increased in the rest of the province. For all that, those constituencies remained static. For instance, there are constituencies like Compton, Brome, Missisquoi and a few others, a dozen constituencies where the population is far less than in other constituencies.

At this time a redistribution is being made in the province of Quebec, and those constituencies are not affected, because it was so provided by the British North America Act to protect an English minority, to guarantee them a number of constituencies in the province of Quebec. This was readily accepted by the French Canadians at that time because it has always been a point of honour for them to protect minorities and, in many cases, to give them all the security and protection required.

Now, today, there is an immigration trend which may cause changes and, no doubt, an increase of population in certain parts of the country. Even if the increase in the population of the province of Quebec was quite steady, it is not equal to that which took place in other areas of the country. I therefore have a suggestion to make—and I want to indicate to each and everyone that I do not intend to propose an amendment—but I wonder if the government should not propose an amendment and have it supported by the official opposition, for, at that moment, it would be much appreciated by everybody, for the purpose of stating, on item 12, that over a total of 265, or perhaps of 300 in 20 years, or 400 in 50 years after all there are 650 seats for 50 million people in England, we could number 50 million inhabitants in 30 years and there would perhaps be 600 members in the house, people would be somewhat crowded, but it does not matter—that the province of Quebec maintain always the same percentage of members. The Minister of Transport indicated a while ago that I have visited several parliaments in Europe. In fact, I visited that of London, which is twice as small as ours and where 600 members or more are crowded in an area which represents half that of our own House of Commons; therefore, would it not be possible for the province of Quebec to have always the same proportion of members, whatever the number of members sitting in the house, that is always the ratio of 75 to 265, which makes about 30 per cent? The same proportion would remain, whatever might be the additions made to the number of members forming the house.

Then the only French Canadian province would be sure it would always have at least a minimum representation in the House of Commons of this country. I wonder whether the Minister of Transport would be ready to accept such a suggestion, because the principle was accepted at the time of the drafting of the British North America Act. Such a principle was accepted for the counties with an English speaking majority in the province of Quebec, and this was written into the British North America Act. Would it not be possible today to make this electoral change and give exactly the same guarantee to the province of Quebec, to the effect that it will always have the same proportional representation it has today, that is 30 per cent. I think that this might remove some of the apprehensions which many Quebeckers have.

I will not move an amendment in that connection, but this is a suggestion and it will rest upon the government and the Minister of Transport to present this as an amendment if they deem it advisable. The hon. member for Winnipeg South Centre (Mr. Churchill) would be well chosen to second such an amendment and it would be accepted unanimously by the house.

This is a principle which has been accepted and which would be very much appreciated by all the people of the province of Quebec. That is a suggestion I wanted to make concerning section 12. I wonder whether the minister would not comment in that regard or, better still, present the amendment.

[*Text*]

Mr. Pickersgill: Mr. Chairman, if I followed the hon. gentleman correctly, he is suggesting that we should attempt in this bill to amend the rules set out in section 51 of the British North America Act. I do not think it would be within the scope of this bill to do that. If we felt it was desirable to amend the rules which are laid down in the constitution for the apportionment of seats between provinces—

Mr. Knowles: Among, please.

Mr. Pickersgill: —among provinces; I am always glad to see what a conservative the hon. member for Winnipeg North Centre is in matters of language—if we attempted to revise those rules, we ought to do it by a separate bill which would amend the British North America Act for that purpose.

Though it is not strictly in order, perhaps I might recall to the minds of hon. members who were here—and perhaps it will be of interest to those who were not here—at the time the present provisions for the disposition

of seats among the provinces were made, that it was done precisely because the old rule, where Quebec had a fixed number of seats, 65, was very unfair to certain of the provinces, and particularly to the province of Quebec. That had the effect of maintaining the representation of the province of Ontario, which was the most populous province, above its just desserts according to the strict rules of representation by population.

When the amendment was made to the British North America Act which established the present rule—with the exception that was made, I believe in 1951, to meet a special situation that then existed in Saskatchewan—when the final rule was made after the war, I think it was in 1947, and I am speaking from memory—that amendment was proposed by my right hon. friend Mr. St. Laurent, who, I do not think, would ever be accused of wanting to be unfair to any part of the country. It was proposed so that we would have a closer approach to equality among the provinces and so that this disparity that existed for many years between Ontario and Quebec would be removed.

There is no doubt that, apart from the special provisions that are in the constitution with respect to the least populous provinces, and which at the present time operate only in the case of Prince Edward Island and New Brunswick, it is fair to say that the operation of section 51 of the British North America Act in so far as all the other provinces are concerned, except Saskatchewan, is precisely to reflect the actual population of those provinces.

I do not think that to go back to the system of giving a fixed representation to, say, the province of Quebec, or to any other province, would alter that at all. It might alter the total number of members that would be in the house, and probably would alter it very slightly at present time, but it would not really affect the relative position. However this is a big question and I do not think the Chair would permit anyone to offer an amendment on it to this bill.

If we wished to do that, I think we have to go beyond the scope of this bill and deal with the British North America Act itself, and that is a matter for which I could not possibly take the responsibility alone of making any decision. However I would be very glad to read carefully what the hon. gentleman said and discuss it with my colleagues. But it is something that I think could not be done within the scope of the bill. If in the circumstances the hon. gentleman would like to have clause 12 stand, and if no one else has any objection, perhaps we might make some progress by letting it stand and going on to other clauses that may not give rise to contention.

Mr. Hamilton: Mr. Chairman, following the position taken by the hon. member for Lapointe and the answer given by the minister, I wonder whether it would not be more than wise to let clause 12 stand, because it occurred to me that when the minister said, rather quickly, that we should let clause 12 stand his mind must have been thinking somewhat along the lines mine was; namely, that if it is the intention of the government to get this bill through, there must be obvious thoughts in the mind of the government as to just what adjustments could be made to the bill that would make it acceptable to all groups in the house.

I think one of the matters that must be going through the mind of the government is the suggestion, for example, of increasing the number of members of the house itself. In this way you get rid of the problem of representation by population with regard to the provinces of Quebec, Nova Scotia and, I think, Manitoba. That is one proposal that must be going through the mind of the government, namely what adjustments can be made to their bill to get it through the house.

Another suggestion arises from the minister's remarks about Saskatchewan. The situation in 1954 must surely have been identical in every detail with the situation that existed in 1952. At that time we had 21 members from Saskatchewan and the representation by population principle as provided by section 12 meant we would have to lose five seats, if I remember correctly. The government of that day, in common justice to the province of Saskatchewan, could not envisage such a radical jump in one redistribution bill and brought in an amendment under the Right Hon. Louis St. Laurent along that line, and applied this 15 per cent rule, so that we only lost four seats at that time.

At the present time, under the representation by population rule we stand to lose four seats. Surely if five seats was too much to lose out of 21, it is an even greater slump in our representation to lose four seats out of 17. Surely the minister, who is very conscious of the necessity of making some adjustments in this bill to get it through, would reconsider with his colleagues the question of doing something about this 15 per cent rule that we have at the present time in relation to Saskatchewan.

I am not making a special plea just because I come from that province, and I was not in the house in 1952 and 1953 when that change was made; but I think all the arguments used at that time for the change would be valid now. I do know there are not now any Liberal members for Saskatchewan, and there were at that time. But surely that is not the criterion that the minister who is now piloting this bill, with his broad considerations of the national good, has in mind. Surely the minister is not applying the rule as to whether you are Conservative or Liberal with respect to fair treatment in this connection.

I suggest that the minister would be well advised to hold this clause over so that the government might consider the one, two, three or four suggestions that must be considered as to adjustments that could be made, in order to allow this bill through.

Mr. Pickersgill: Mr. Chairman, I am quite prepared to have the clause stand; but I would like to say a word about what the hon. member for Qu'Appelle has said. One thing that I do not think I could ever bring myself to do is consider any suggestion that would have the effect of giving more members to a province with a smaller population than another province. As the hon. member for Qu'Appelle knows, the population of Manitoba and Saskatchewan is now almost identical. The population of Manitoba is slightly larger, and even in 1961, when the last census took place, the difference was only 5,000.

I think it would appear to anyone that it would be a very grave injustice to have a different representation for those two provinces, and indeed the amendment of 1951 provided precisely for that situation by providing that a province having a smaller population than another province should not have a larger membership in the house. I think the observations I made to the hon. member for Lapointe apply equally to what the hon. member for Qu'Appelle has said, namely that if there is to be any consideration in any way of these changes to the rules laid down in the British North America Act, I think that would have to be the subject of separate legislation. I do not think it would be within the scope of this bill to purport to amend the constitution by an amendment to a clause in this bill. Of course I am quite prepared, as I said to the hon. member for Lapointe—and this applies to what the hon. member for Qu'Appelle has said—to bring the points he has raised to the attention of my colleagues. Perhaps, Mr. Chairman, we could agree to let the clause stand and proceed to clause 14. We might make a little more progress in the few minutes that remain, if this is done.

[*Translation*]

Mr. Grégoire: Mr. Chairman, we are ready to have clause 12 stand in order to consider it further.

However, I should like to make a correction to the statement made a few minutes ago by the Minister of Transport (Mr. Pickersgill), because I think he did not quite understand my remarks. I did not suggest at all to set a number for the members of the province of Quebec but rather to guarantee a proportion—whatever the number might be—equal to the one existing today, as far as the number of members from the province of Quebec in this house is concerned.

[*Text*]

The Chairman: Shall clause 12 stand?

Some hon. Members: Agreed.

Clause 12 stands.

The Chairman: Shall we go on to clause 14?

Mr. Churchill: No, Mr. Chairman. I think we should rise and report progress. It is now 10.30, and we have done fairly well.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, in view of the announcement of the business made by the Prime Minister today, could the house leader let us know what business will be taken up during the course of this week, including the estimates for Thursday and Friday, if he is in a position to tell us tonight?

Mr. Favreau: Tomorrow, Mr. Speaker, we will proceed with second reading and the committee stage of the Farm Improvement Loans Act, after which we will take up the resolution on the Crop Insurance Act, after which we will discuss the resolution preceding a bill with respect to farm machinery syndicates. Then if there is time we will carry on with the committee stage of the redistribution bill.

On Thursday and Friday we will be taking estimates in the following order: first, the Department of Transport; after that, northern affairs; to be followed by the estimates of the Department of Public Works. I intend tomorrow, if possible, to announce the addition

of at least one department with respect to the discussion of estimates.

PROCEEDINGS ON ADJOURNMENT MOTION

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

UNEMPLOYMENT INSURANCE—TORONTO, ONT.—DENIAL OF BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

Mr. Reid Scott (Danforth): Mr. Speaker, the issue I want to raise tonight is whether or not the members of the international typographical union presently on strike in Toronto against the three Toronto dailies are entitled to unemployment insurance benefits. This matter has already been raised by members of this party on four or five occasions but to date no satisfactory answer has been obtained. The minister has indicated that benefits are payable when a substantial resumption of production has taken place. In a later answer he replied that what he meant by a substantial resumption of work was a production figure equal to 85 per cent of that prevailing before the work stoppage occurred. However, beyond that point we have been unable to obtain any accurate information as to the type of investigation being made, when it was started, when it is likely to be completed and what factors the unemployment insurance commission is taking into consideration in reaching its decision. This morning the answer received was again unsatisfactory, and therefore I should like to pose a series of questions to the parliamentary secretary to the Minister of Labour.

1. Is it confirmed that once production reaches 85 per cent of that prevailing before the strike the workers will be eligible for unemployment insurance?

2. Will the eligibility be retroactive and, if so, to what date?

3. When was the investigation in this regard started and at whose request?

4. What interviews have been conducted and with whom?

5. What factors are used by the commission, such as size of the paper, its circulation, amount of advertising, etc., in reaching its decision?

6. Has the commission experienced any difficulty in obtaining this information and, if so, what are the nature of such difficulties and what steps is the government taking to overcome them?

7. Is the rate of strike pay taken into account in any way in assessing the level of benefits to which the men will be entitled?

In short, Mr. Speaker, what I want is the fullest possible explanation from the minister as to what is going on, how the investigation is proceeding and when we can expect an answer. These men have made their contributions to the fund and if they are properly entitled to benefits the government should see that there are no roadblocks placed in their way.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am sure that three minutes would hardly permit me to answer all these questions in the order in which they were put, but first I must apologize for saying this afternoon that the hon. member's feelings were not to be considered. I am sure he meant the feelings of those who are on strike, and should be given fullest consideration. I apologize for that inadvertence.

Normally a claimant must make representations to prove that there is not a stoppage of work. The commission, following representations made by telephone, undertook to send a man from head office in Ottawa to make those investigations. There were preliminary investigations made, I understand, by the office in Toronto, but nothing in writing had been put before the commission in so far as the employees or the strikers were concerned.

I have the statement that:

> On September 9, 1964, local 91 of the international typographical union made representations to the commission, which were confirmed in writing on September 10, that a substantial resumption of work to near normal conditions has been established at the three Toronto daily newspapers, the *Daily Star*, the *Telegram* and the *Globe and Mail*.

These representations are based on the fact that the newspapers are producing their usual number of editions per day, that they are of normal size and that the circulation of the papers is back to normal. These facts, with certain reservations have been verified by the newspapers.

However, the three newspapers claim that the work in their composing rooms is only being accomplished under emergency conditions, that the complement of staff required for operating the composing room is still substantially short of requirements for normal operations and that the present work is being carried on by executives and salaried personnel assisted by a number of new employees.

This information is now being assessed by the insurance officer. If he is satisfied that a

substantial resumption of work—and that would be approximately 85 instead of 80, as I said this afternoon—has occurred, the disqualification now in effect under section 63 of the act will be terminated. The normal operation would be determined by production and staff requirements. I think that the matter of strike pay of course will have to be considered before a decision is made. The investigation, as referred to in the statement, began on an official basis when our Mr. Shearer, from Ottawa, went to the various newspapers and made those inquiries. As I understand the situation, he experienced no difficulty in this regard.

The question regarding what investigations have been undertaken has been answered. The question in respect to retroactivity of course will be determined by whether these claims were legitimate when first put forward.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. gentleman, but his time has expired.

Motion agreed to and the house adjourned at 10.39 p.m.

HOUSE OF COMMONS

Tuesday, September 15, 1964

The house met at 2 p.m.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Secretary of State for External Affairs whether he can give the house a report on the present situation in Cyprus, particularly whether in the last day or so there have been any signs that the situation is alleviating.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the situation in Cyprus is that the government of Turkey has relented in respect of a position it had announced it was going to take with regard to the sending of supplies to the island, an act that was thought to contain elements of provocation. The decision now is that the Turkish government, in response to an appeal by the United Nations secretary general to postpone the sending of the shipment, has agreed to do so if the United Nations will provide the necessary arrangements for further food shipments to reach Kokkina. Arrangements are being made to this end.

This has considerably eased the situation. As the right hon. gentleman knows, the secretary general has circulated a report with regard to the operation of the force, and this will be considered by the security council on Thursday, I think.

Mr. Diefenbaker: Would the minister say whether there has been any agreement on the part of Canada to continue its force in Cyprus indefinitely, or whether a limitation has been placed on the availability of the Canadian force?

Mr. Martin (Essex East): There has been no decision by the Canadian government to contribute forces indefinitely, nor has there been any decision reached as to further participation in the force. I would not want this last remark to be interpreted as meaning that, given the necessary conditions, we would not continue to live up to our obligations under the charter. The security council is meeting, and after that meeting has taken place I fully expect that the secretary general will get in touch with the participating governments.

CONGO—REFUSAL TO PERMIT REMOVAL OF CANADIAN CITIZENS

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. Can the minister tell us whether it is true that a rescue mission has been denied landing privileges to remove 16 or more Canadians from the Stanleyville area of the Congo? If it is, what steps is the government taking to protect the safety of Canadian nationals?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, communications with the Congo are proving very difficult. Perhaps I can say more about that tomorrow.

INDONESIA—SUGGESTED TERMINATION OF CANADIAN AID

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. I was wondering if the minister was in a position to answer two questions. The first question is, has the government as yet made up its mind as to whether it intends to encourage and assist Dr. Sukarno, at Canadian taxpayers' expense, in his attacks on Malaysia? Does he not think it is time to terminate our two-faced foreign policy in this area?

Hon. Paul Martin (Secretary of State for External Affairs): Without commenting upon what I think are the regrettable observations of my hon. friend, who has had a long experience in external affairs, may I direct his attention to the reply I gave the Leader of the Opposition on this question last week.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): May I ask the Secretary of State for External Affairs if the military survey group from Canada has now proceeded to Malaysia?

Mr. Martin (Essex East): I do not think they have left, but their departure is imminent.

CANADIAN FLAG

INQUIRY AS TO DELAY IN ESTABLISHING COMMITTEE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Prime Minister the reason for the delay in setting up the committee to deal with the selection of a distinctive national flag for Canada. This matter was agreed to unanimously by the house last Thursday, but so far the committee has not been set up. Everybody seeems to be getting into the act and seeking to predict what the committee is going to decide. It seems to me the committee ought to be appointed as quickly as possible. I ask the Prime Minister the reason for the delay.

Right Hon. L. B. Pearson (Prime Minister): The names selected from the government side were given to the government whip last Friday evening. The names of representatives of the smaller opposition parties were also sent to the government whip last Friday night, though in one case this was subject to confirmation on Monday morning, which confirmation was received. We have received no names from the official opposition as their representatives on the committee.

Some hon. Members: Shame.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I rise on a question of privilege, Mr. Speaker. I should like to say that what the Prime Minister has said regarding the opposition is correct. We were waiting for the return of two members, and later today the names will be made available, just as soon as we can secure confirmation from those two members.

Mr. Douglas: May I ask a supplementary question. I wonder if I could ask the Prime Minister whether the party leaders could agree to adopt a moratorium on making predictions as to what the committee is going to recommend as a flag design. It seems to me that the committee's work will be made much easier if we can persuade both the Prime Minister and the Leader of the Opposition, to take the veil of silence for the next six weeks.

Mr. Pearson: I think this would be an extremely good idea. I was very disturbed, as I know my hon. friend was, when after a meeting of the party leaders the other day at which it was agreed that the committee should be set up, this agreement was interpreted in certain quarters as a retreat by the government, that they had the government on the run, that we were giving up on our own desire for a distinctive maple leaf flag. Therefore, Mr. Speaker, I felt it was desirable for me to express my own view that we should have such a flag.

Both sides having stated their position on this matter, and the committee being set up I hope tomorrow, with no instructions having been given to members of that committee by any of the party leaders—I hope that is the case with my right hon. friend, because it is certainly the case on this side—perhaps the committee could be allowed to do its work in peace and quiet.

FINANCE

PAYMENT OF U.S. SHARE OF COLUMBIA RIVER DEVELOPMENT

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Finance.

Is it true that the Canadian government has accepted, as payment for financing the development of the Columbia river, treasury notes or other securities from the United States government in lieu of American dollars and that those funds were not deposited to the account of the Receiver General of Canada?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the Canadian government is investing these funds to the best advantage, and I think it is a satisfactory way of handling this transaction.

WATER RESOURCES

INQUIRY AS TO PROVISION FOR PROTECTION

On the orders of the day:

Hon. Léon Balcer (Three Rivers): I should like to direct a question to the Prime Minister. Does the Prime Minister intend to take steps to set up completely new machinery to deal with the protection of our water resources, the wastage and mishandling of which has reached the proportions of a national disaster, as revealed in a very informative study which appeared in the Montreal *Gazette* on Saturday?

Right Hon. L. B. Pearson (Prime Minister): The matter referred to in the article in question is under consideration, and perhaps the minister of northern affairs will have a statement to make about it in the near future.

PRIVILEGE

MR. HERRIDGE—APPROVAL OF RATIFICATION OF COLUMBIA RIVER TREATY

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question of privilege affecting all hon. members of the house, and a most important question of privilege of national and international consequence, which is evident from a page I have just received taken from the *Spokesman-Review* of Spokane of Friday, September 11 in which there appeared an editorial entitled "Canada's Pearson Campaigns for L. B. J.".

It goes on to say:

> —Mr. Johnson's long lasso has roped him into domestic political affairs in the United States—

and calls it a wholly unnecessary expedition at this time. It adds:

> It is unfortunate that Prime Minister Pearson —who has plenty of domestic troubles of his own —is now being dragged into the American political campaign—

and says it is:

> —a low-level political blow at...many northwest citizens—

and so on. I mention that editorial to indicate the international as well as the national significance of my point of privilege. The question concerns the apparent misinterpretation by ministers of the crown of a resolution of this house.

As this misinterpretation may have misleading consequences in our treaty relations with the United States of America and our domestic relations with the province of British Columbia, I believe this house must clarify the constitutional meaning and limits of that resolution to the end that those members of this house who, as advisers to His Excellency the Governor General, must aid and assist His Excellency in implementing that resolution, do not construe the resolution as a licence to arrogate and usurp to themselves, without counselling with His Excellency, the statutory prerogative of his excellency the governor general in council in matters of disallowance.

Such misinterpretation is implicit in the announcement by the Prime Minister of his intended participation in an international ceremony to celebrate the purported coming into force of the treaty.

Question of Privilege

1. The resolution of the house approving the ratification of the Columbia treaty, so-called, with the protocol and exchange of notes, as recorded in the *Journals* of the house for June 5, 1964, is subject to section 90 of the B.N.A. Act with respect to the disallowance of a provincial statute.

2. Article XIV (1) of the treaty requires that Canada designate a Canadian entity for the purpose of the treaty. The note of January 22, 1964, with the attachment thereto, provides in article C that Canada shall designate the British Columbia hydro and power authority as the Canadian entity for the purpose of article XIV (1). The designation of that authority is therefore incorporated by reference in the treaty, and, as so incorporated, was approved in the resolution of this house.

3. The British Columbia hydro and power authority was established under the provisions of an act, cited as the British Columbia hydro and power authority act, 1964, passed by the legislature of British Columbia on or about March 10, 1964.

4. Some time after March 10, 1964 a copy of the act was forwarded to the Governor General of Canada by the lieutenant governor of British Columbia.

5. Under section 90 of the B.N.A. Act, the governor in council may disallow the act within one year of the receipt of the act by the Governor General.

6. On March 16, 1960 Mr. Speaker ruled that the question of disallowance is a power which has been entrusted to the exectuive and not to parliament. Therefore it follows from this Speaker's decision that the approval of the house of June 5, 1964 to the treaty, protocol and notes, and in particular to article XIV (1) as incorporating by reference the designation of the British Columbia hydro and power authority in article C of the attachment to the note of January 22, 1964, was and is subject to the exercise or non-exercise by the executive of its power to annul the provincial statute that creates the British Columbia hydro and power authority. In other words—

Some hon. Members: Hear, hear.

Mr. Herridge: I am glad I am getting applause, because I worked very hard on this question of privilege.

In other words, unless the governor in council sooner disallows the British Columbia statute, then the approval of the house to the treaty is in effect in escrow for one

year after the receipt by the Governor General of a copy of the British Columbia act. Putting the matter another way, under section 90 of the British North America Act the executive may disallow the British Columbia act within one year, but there is no positive way by which the governor in council can indicate that it, or a successor governor in council, will not disallow the act. The governor in council can only approve the act by letting one year elapse without disallowing the act.

The matter is put neatly in the question of the member for Vancouver East and the reply of Mr. Speaker thereto in the course of the Speaker's decision already cited, as it appears in *Hansard* for March 16, 1960, volume II at page 2121:

> Mr. Winch: That is the very point. Do I understand from what you have just said that the House of Commons cannot deal with this matter until the last minute of the period of authority of the cabinet to deal with the matter; and, if so, that we cannot even raise it then because by that time the time has expired and it is a fait accompli? Is that the case?
>
> Mr. Speaker: That is precisely the situation—

Applying the principle of that ruling to this case, the ratification by this house of the treaty is not effective until the last minute of authority of the governor in council to deal with the matter. Under our constitution the ratification by this house is either valid or invalid depending upon:

(a) The elapse of one year from some time in the spring of 1964 without the governor in council disallowing the British Columbia hydro and power authority act, 1964; or

(b) the disallowance of the act by the governor in council within that year with the consequential nullification of the ratification by this house.

I therefore move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron):

> That the resolution of this house of the 5th June 1964 concerning the approval of the ratification of the Columbia river treaty, so called, in no way derogates from or impinges upon the powers and authorities conferred upon and entrusted to the governor general in council under section 90 of the British North America Act relating to the disallowance of an act entitled the British Columbia hydro and power authority act, 1964 as passed by the legislature of the province of British Columbia.
>
> And therefore, to quieten doubts that have arisen or may arise as to the interpretation and effect of the said resolution, be it recorded in the *Journal* of this house that this house declares that the said resolution is subject to and dependant upon the powers and authorities so conferred upon and entrusted to his excellency the governor general in council.

[Mr. Herridge.]

Mr. Speaker: I have to decide whether or not there is a question of privilege here, and after listening very attentively to the remarks, the long preamble, of the hon. member I have not the slightest hesitation in reaching the conclusion that inasmuch as he is asking for a legal opinion from the Chair, the Chair has no authority to give that legal opinion. Therefore I must conclude that the question of privilege does not arise.

Mr. Herridge: With respect to your reply to my question of privilege, Mr. Speaker, with all due deference do you not give a legal opinion when you rule, while a member is speaking, whether a matter is within the jurisdiction of this parliament or that of a provincial legislature?

Mr. Speaker: The hon. member should not misinterpret my words. We discussed this matter rather extensively from 12 till 1 o'clock so neither of us is exactly taken by surprise. I still hold to the ruling I have given that there is no question of privilege.

EDUCATION

STUDENT LOANS—ELIGIBILITY OF STUDENTS ATTENDING NEW BRUNSWICK TEACHERS COLLEGE

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Finance relating to student loans, about which I have given him some notice. Have the New Brunswick appointees any authority to declare students at New Brunswick teachers college ineligible, although that institution is included among those listed in the brochure which was made available?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the province of New Brunswick has specified that the teachers college at Fredericton should be one of the institutions whose students would be entitled to receive loans under the Canada Student Loans Act.

Mr. Bell: Mr. Speaker, will the minister investigate this matter if I give him the information? The story is that the institution has been declared ineligible and, further, it has been stated that in any event there is not enough money to go around.

Mr. Gordon: I am grateful to my hon. friend for having given me notice of this question, Mr. Speaker. I rather expect that the advice this particular student was given had to do with the province's own student

loans fund. However, I will be very pleased to look into it and see whether I can track this matter down.

Mr. Bell: A supplementary question in that connection, Mr. Speaker. Is it a sufficient answer to say they should make application for the provincial grant, and that the other is not possible for them? Would this answer it?

Mr. Gordon: Not at all, Mr. Speaker. I think the official of New Brunswick who wrote the letter was probably saying this particular college did not qualify under the provincial regulations or the provincial act. However it would qualify under the Canada Student Loans Act.

STUDENT LOANS—DESIGNATION OF CREDIT UNIONS UNDER ACT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I would like to ask the minister whether he has had time to look into the question I put to him yesterday regarding the letter he has received from Mr. Charbonneau of the Saskatchewan credit union league, pointing out the fact that the Saskatchewan credit unions had not been able to approve student loans.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I had hoped to be able to answer that question this afternoon. I did look into it immediately after I left the chamber yesterday, but have not yet found the letter in question. I hope to be able to reply tomorrow.

LABOUR RELATIONS

MONTREAL—POSSIBLE SETTLEMENT TERMS OF STRIKE AT LA PRESSE

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Since the strike at the newspaper *La Presse* of Montreal seems to revolve around the freedom of the press in general, does this government intend to see to it that the strike is not settled to the detriment of one of the most important freedoms, the freedom of the press?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not think I can answer that question on the orders of the day, except to say that I am convinced that no decision would be reached that would in any way infringe upon the legitimate freedom of the press.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

If the settlement of this strike were to affect the freedom of the press, then would the government consider stepping in so that this fundamental right might be protected?

[*Text*]

CANADIAN BROADCASTING CORPORATION

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would ask the Minister of Industry whether the city of Vancouver has yet submitted a plan regarding the Kitsilano property until recently occupied by the R.C.A.F. If so, what is the nature of the submission in this regard and what decision has the government made respecting this matter? In particular, is it going to prefer the request of the city of Vancouver to the demand of the C.B.C. made earlier, I think it was in June, by the president of the C.B.C.?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, hon. members will recall that it was 59 days ago that the city of Vancouver asked for a delay of 60 days in which to develop and forward to the federal government an alternative proposal for the Kitsilano project. Tomorrow will be the sixtieth day. In answer to the balance of the right hon. gentleman's question I would say that we have not yet received any proposal from the city of Vancouver.

Mr. T. C. Douglas (Burnaby-Coquitlam): If no proposal is received, is it the minister's intention to get in touch with the city of Vancouver to ascertain the reason for the delay in order that there may be an extension of the time, if they desire such an extension?

Mr. Drury: My colleague the Postmaster General during the interval has been indicating to the city of Vancouver the importance of coming to a rapid conclusion in this matter. I think I would be endeavouring to answer a hypothetical question by suggesting what might happen in the event that the city of Vancouver made no proposal.

Inquiries of the Ministry

AGRICULTURE

TURKEYS—INQUIRY AS TO STEPS TO MAINTAIN PRICES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question to ask the Minister of Agriculture in reference to a question I asked him on September 10 having to do with turkey prices. At that time he said he would discuss this problem with the turkey producers on Monday, that is to say yesterday, in Winnipeg and would report back to the house. Has he anything to report at this time?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I met with the executive of the turkey federation and attended the annual meeting, and spent considerable time with them. They are putting forward proposals that we are going to consider, and after that time I will report back to the house.

WORLD FAIR

POSSIBLE REQUEST FOR RESIGNATION OF COMMISSIONER

On the orders of the day:

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I wanted to put a question to the Minister of Trade and Commerce but, in his absence, I shall put it to the Prime Minister. Does the government intend to ask for the resignation of Mr. Robert Shaw as assistant commissioner of the 1967 world fair, following the severe admonition given to him by Judge Marcel Gaboury in the judgment he delivered recently in an action for fraud against the Foundation Company of Canada Limited, whose executive vice president was the same Robert Shaw?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will take notice of that question.

TRANSPORT

FREIGHT HANDLING ON FERRY SERVICE, NORTH SYDNEY-PORT AUX BASQUES

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport. I have been trying since March 23 of this year, without success, to obtain information from the minister and the government as to what effect the proposed new railway car ferry service will have on the employment of stevedores as between Port aux Basques and North Sydney.

Now that yesterday the minister sounded the death knell for the stevedores at North Sydney in his written reply to the hon. member for Danforth, may I ask him when I will receive a reply to question No. 1,811 on the order paper, which is actually a series of questions on this same subject but in considerably more detail. I am sure, Mr. Speaker, we all understand the full collaboration that exists between the minister and the hon. member of the N.D.P., as indicated by the fact that he answered that question.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, that is a rather offensive observation with which the hon. gentleman closed his remarks, which I think I should protest strongly as not being in order. I hope very much to have the additional detail for which the hon. gentleman asked, and which of course made it necessary to take longer to answer his question, available tomorrow.

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to speak on a question of privilege. The gratuitous observation of the hon. gentleman is really not worthy of him. I want to make it clear that the question was based on a responsibility to that area and not because of this stupid statement about collaboration between my party and the Liberal party.

Mr. Muir (Cape Breton North and Victoria): I have a supplementary question. Of course I accept the statement of the hon. gentleman, who is a very good friend of mine.

An hon. Member: He was.

Mr. Muir (Cape Breton North and Victoria): May I ask the minister, in view of his reply yesterday to the hon. member for Danforth, and in view of the closing of the Point Edward naval base and other cutbacks, just how many economic blows does he think North Sydney and the surrounding areas can stand before we see another Elliot Lake or Springhill?

Some hon. Members: Order.

Mr. Speaker: That question is not in order.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Prime Minister. Does the Prime Minister consider it is proper that a minister of the crown,

concerning matters affecting the economy of two provinces, should align himself behind one province as against the other?

Right Hon. L. B. Pearson (Prime Minister): A very hypothetical question, Mr. Speaker.

Mr. MacInnis: Mr. Speaker, the Prime Minister has referred to this as a hypothetical question. It is anything but, because this is exactly what the Minister of Transport did in North Sydney when he said when it concerned a problem between Nova Scotia and Newfoundland, he intended to favour Newfoundland. There is nothing hypothetical there, and I would very much appreciate an answer from the Prime Minister.

Mr. Pickersgill: Mr. Speaker, perhaps before the Prime Minister is troubled to answer that question I may say I never made any such statement at any time in any serious sense at all.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I listened to the hon. gentleman making his imputations, which were meant to be harmful and malicious, and I suggest, sir, I should be allowed to reply to them without the kind of interruptions which are so characteristic of the hon. member. I did say in the course of an after dinner speech to the North Sydney board of trade, where I had a great deal of hospitality of the kind that is characteristic of North Sydney, and in the presence of the hon. member for Cape Breton North and Victoria, that of course when I had to make a choice between Nova Scotia and Newfoundland I would choose Newfoundland, and I think everybody who heard that understood it in precisely the sense in which it was made.

Further, I think my record and the record of this government in doing things for Cape Breton in the last year—just to mention the heavy water plant, the development of the airport, the establishment of the coastguard college and so on—is ample proof that there is no thought of discriminating against that important area.

Some hon. Members: Hear, hear.

Mr. MacInnis: As a further supplementary to the Prime Minister, now that it has been quite clearly indicated by the Minister of Transport that my question was not hypothetical and that the minister did make such a statement as I referred to, does the Prime Minister not think it is time that the ministers when—

Mr. Teillet: Oh, sit down.

Mr. MacInnis: Mr. Speaker, I think in all fairness that remark made by the Minister of Veterans Affairs should not be permitted. After all, I have not been addressing my question to him, and if the Minister of Veterans Affairs, who continually remains in his seat—

Mr. Speaker: Order, please. It seems to me we are making a mountain out of a molehill.

Mr. MacInnis: Mr. Speaker, I don't consider it is making a mountain out of a molehill when I have to stand here like this. After all, if the Liberal ministers—

Mr. Speaker: Order. The hon. gentleman has heard a long explanation from the Minister of Transport, and surely he is satisfied.

Mr. MacInnis: I am certainly not satisfied, because the minister has admitted in this house making the statement which the Prime Minister referred to as hypothetical.

Mr. Speaker: Order. Words must be given their ordinary meaning and it was perfectly clear to me that the Minister of Transport explained in detail what was implied in his off the cuff remark.

Mr. MacInnis: Mr. Speaker, if you will permit me, what I am trying to get across to the Prime Minister, to the Minister of Transport, and to the arrogant benches on that side, is that a statement made by the Minister of Transport on any issue should be considered a serious one, and if he now says he said it jokingly I would point out to him that his statement in North Sydney was taken quite seriously by the people of that area.

Some hon. Members: Question.

Mr. Speaker: Order, please. Surely we have spent enough time on this important issue.

Mr. MacInnis: Mr. Speaker—

Mr. Speaker: I am sorry, but I do not propose to recognize the hon. member for Cape Breton South if he persists along this line, because it is enticing the house into an argument which is certainly not needed at this time.

Mr. MacInnis: On a question of privilege. My question of privilege refers to what the Prime Minister has called a hypothetical question. This was categorically denied by the Minister of Transport when he attempted to make that statement—

Mr. Speaker: Order, please.

Inquiries of the Ministry

Mr. MacInnis: I would ask the Prime Minister—

Mr. Speaker: Order. There is no question of privilege here. Surely the hon. member can see that.

Mr. Muir (Cape Breton North and Victoria): I have a supplementary question to ask, but first I should like to say that the minister did make that statement at North Sydney and it is correct, what he did say at that time. Has he now made a decision in favour of Newfoundland to the detriment of the port of North Sydney, one which will put everybody out of work?

Mr. Pickersgill: No, I do not think any decision has been made to the detriment of any port. There was a necessary decision to be made in the interests of carrying out the terms of union with Newfoundland to provide a ferry service to Newfoundland. As my answer yesterday clearly indicated, every consideration was given to a matter which was not easy to decide, because it was obvious that if the ship was unloaded on one side of the strait the work would be there and not on the other side, and nothing could change that fact. The officials of the Department of Transport and, ultimately, the minister, had to decide what, in the public interest, was the wise decision to make, and that decision was made in the light of technical considerations which I tried to set out as plainly as I could in the answer I gave yesterday.

Mr. Muir (Cape Breton North and Victoria): So the stevedores at the port of North Sydney are to be the sacrificial lambs.

Mr. Pickersgill: Would the hon. gentleman prefer to sacrifice those at Port aux Basques?

Mr. MacInnis: I have a further supplementary question for the Minister of Transport. This is in line with a question I put to him last spring. Can the hon. gentleman now indicate to the house whether the gauge at the marshalling yards at Port aux Basques will be standardized?

Mr. Pickersgill: That is a technical question which I cannot answer offhand.

Mr. Muir (Cape Breton North and Victoria): I put the same question to the minister some months ago and he said I could not make that deduction. That is what he said when I asked him if they would be standardized.

Mr. MacInnis: A further supplementary—

[Mr. Speaker.]

Mr. Speaker: Order. We have spent nearly ten minutes on this important subject. Surely we have exhausted it.

Mr. Muir (Cape Breton North and Victoria): And we are going to have three or four hundred unemployed.

Mr. MacInnis: Unless they standardize the rails at Port aux Basques how are they going to unload the cargo from this particular ferry?

Mr. Speaker: Would the hon. member put that question on the order paper?

Mr. Muir (Cape Breton North and Victoria): There is no point in putting anything on the order paper, because we cannot get answers. I have had a question on the order paper for weeks.

LABOUR CONDITIONS

CONSULTATION PROCEDURES RESPECTING DESIGNATED AREAS

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Industry, and is based on the criticism of his department's achievements at the conference of mayors and municipalities. Will the minister assure us that in future before areas are designated he will improve the consultation procedures as among the department, the local authorities and the provinces; and will he also assure the house that he will take immediate steps in area industrial development to avoid duplication of services that already exists in the provinces?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I saw the newspaper report which no doubt led the hon. member to make this observation. Yesterday I attended throughout the meeting of mayors of municipalities, and the sole reference to designated areas in the presentation of their brief by the mayors of municipalities was limited to an invitation to the area development agency to avail themselves of the advice of the director, Mr. Mooney.

This was an invitation which I gladly accepted yesterday, and I did in fact instruct the area development agency to make use of the services of Mr. Mooney in respect of any ideas he may have in so far as designated areas are concerned. It has been a preoccupation of the officials of the area development agency to avoid duplication or, indeed, any kind of conflict with the provincial area or

regional development programs. This has been our policy and will continue to be so.

UNITED NATIONS

CANADIAN POSITION ON ADMISSION OF COMMUNIST CHINA

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Secretary of State for External Affairs, arising out of a statement made by the Prime Minister yesterday to the Atlantic treaty association. Perhaps I may be permitted to quote one sentence from that statement, as follows:

If we exposed them—

He was speaking of communist China.

If we exposed them more to the views of the rest of the world, we might some day expect a more realistic policy from them. The present isolation of China encourages recurring crises.

I should like to ask the secretary of state whether this is now the official view of the government, and perhaps whether this is an indication of some action that Canada intends to initiate or support at the coming session of the United Nations.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the statement attributed to the Prime Minister yesterday was, of course, a statement which represents government policy, and is in keeping with the statement of government policy announced in this house on May 22. I am sure it commends itself to my hon. friend.

Mr. Olson: Mr. Speaker, I have a supplementary question. The second part of my question was, does Canada intend to initiate or support some action to bring China into the councils of the world at this session of the United Nations?

Mr. Martin (Essex East): Mr. Speaker, as my hon. friend knows, of course Canada has now established growing contacts and commercial contacts with communist China. We now have an exchange of newspapermen. As to the course to be taken at the general assembly, I think my hon. friend will appreciate, in view of the importance of this question, that he might wish to examine in greater detail the statement which was made on May 22 in this house.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the minister by way of a supplementary question, and without entering into an argument on the matter of communist China, whether he can give this house the assurance that before any statement of policy is made by the government in this connection, this house will have a day set aside in order to obtain the views generally of all members as of this time, so the government will fully recognize the variety of views that are held in this house in that connection.

Mr. Martin (Essex East): Mr. Speaker, foreign policy, of course, must be achieved initially through executive acts of government, under our parliamentary system. Government policy in this regard is always subject to the scrutiny of parliament. I would hope there will be the fullest opportunity for a discussion of this matter before any action is taken, but the government must always observe its responsibilities in connection with these matters in the light of situations that could develop.

Mr. Diefenbaker: Mr. Speaker, in that volume of words there is still no answer to this question. Recognizing the executive function of government and its responsibility for external affairs, before a decision is made will this house be allowed a day's debate on this question, so important not only to the international world as such but to Canada as well? That was my question.

Mr. Martin (Essex East): Mr. Speaker, this is a matter of great importance, and I am sure my right hon. friend would not want to be projecting questions to elicit ill-considered answers.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): If he did I would be very surprised. I would hope there would be an opportunity to discuss matters of this sort before any action was taken. I am not implying by that remark that there is any immediate action in mind. In the statement I made on May 22 there was a careful analysis of the situation that could develop at the next general assembly, and I suggest to my right hon. friend that he should read that statement and possibly use it as the basis of a question tomorrow.

Mr. Diefenbaker: Mr. Speaker, may I say to my hon. friend that reading it would be to have a source book for questions for the next few weeks absolutely dissimilar one from the other.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. In view of the minister's statement in Tokyo that he hoped the government of the United

States would be agreeable to some recognition of mainland China, is he or are any of the officials of his department in touch with the United States authorities to ascertain their views regarding either recognition of communist China by Canada or the seating of mainland China in the United Nations?

Mr. Martin (Essex East): Mr. Speaker, as I indicated last week, I made no such statement as was attributed to me. The statement was said to have been one made at a private meeting. But I did say to my hon. friend that in the formulation of foreign policy the government, this government or any other government, would take into consideration the position of friendly countries. That is still the position of the government of Canada.

Mr. Douglas: A supplementary question, Mr. Speaker. I was not asking the minister a hypothetical question as to what they would do. I asked the minister if actual discussions are or have been going on relative to this subject.

Mr. Martin (Essex East): Mr. Speaker, discussions on these matters are always taking place between interested governments. I had some discussion only the other day about this matter with a representative of a friendly country, and I expect to have one later today. This is part of the job of the external affairs minister.

Mr. Diefenbaker: Elucidation is part of the job, too.

Mr. H. W. Herridge (Kootenay West): I should like to address a supplementary question to the Secretary of State for External Affairs. Would he inform the house whether the reports he receives from our representative on the truce commission in South Viet Nam are identical or similar to those he receives from the United States state department with respect to the interpretation of the development of events in South Viet Nam?

Mr. Martin (Essex East): Mr. Speaker, we have naturally had reactions from interested governments on that delicate situation. When we were in Tokyo we asked the representative of Canada on the international control commission to come to Tokyo to discuss the situation with us. These sources of information are very valuable to us in making necessary assessments.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to follow up one series of questions asked of the Secretary of State for External Affairs. With regard to the discussions that are being held with representatives of friendly countries, would one of those representatives be the senior senator from Arkansas, Senator Fulbright, whose speech in the Senate on April 15 has been widely disseminated?

Mr. Martin (Essex East): Senator Fulbright is chairman of the foreign relations committee. He is not a member of the government of the United States. However, I happen to know Senator Fulbright and I would not be averse to talking to him.

Mr. Churchill: What is his opinion?

Mr. Olson: A supplementary question, Mr. Speaker. Could the minister tell the house whether any member nation of the United Nations has stated that it intends to move a motion or to initiate some action for the seating of red China at the next session of the general assembly?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend knows that negotiations of this kind are confidential. It would be improper for me to say what the representative of another country indicated to me in a private conversation, but these conversations are taking place. Much will depend on the interpretation that is given this problem as to whether it is an important question within the meaning of the charter of the United Nations or whether it is a question that requires only a simple majority vote. I suggest quite seriously to my hon. friend that he look again at the detailed statement on this subject which was made in the month of May.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, now that I have reread his speech of May 22 I would like to ask the Secretary of State for External Affairs whether his statement then holds true today as a declaration of Canada's policy with regard to China. His statement then read as follows:

> We are watching the situation closely and Canadian policy will be predicated on a number of factors.

Mr. Martin (Essex East): Mr. Speaker, if my hon. friend would read the analysis of the factors that followed in that speech perhaps he could add an interesting part to his question.

NATIONAL CAPITAL COMMISSION

OTTAWA—POLICY RESPECTING REAL ESTATE TRANSFER FEES

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Public Works.

Can the minister tell us if the national capital commission has changed its policy with regard to the transfer of buildings to the city of Ottawa, because it now charges a $100 fee for what it used to do for $1.?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I will inquire about this matter because I am not in a position now to answer that question.

[*Text*]

INDUSTRY

INQUIRY AS TO SETTING UP OF CANADA DEVELOPMENT CORPORATION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of his statement in the house on March 20 of this year that the government's legislation respecting the Canada development corporation would be, to quote his exact words, "brought forward at the appropriate time", can he say whether the appropriate time has come and, if not, what has happened to this legislation?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I will be glad to do that at the appropriate time.

INQUIRY AS TO STOCKPILING OF COBALT ORE

On the orders of the day:

Mr. Arnold Peters (Timiskaming): I should like to direct a question to the Minister of Mines and Technical Surveys and ask him whether the government has made a final decision as to the amount and price of cobalt ore to be stockpiled this year.

Mr. Speaker: Surely this is a question for the order paper.

NATIONAL PARKS

BANFF—RECOMMENDATIONS OF ADVISORY COUNCIL

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. In view of the demand for the minister's resignation that was made at the regular session of the Banff advisory council last evening, could the minister indicate to the house the reason for such action on the part of this responsible body?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I will first of all disappoint the hon. member by telling him that I have no intention of resigning. This is an advisory body. In the past we have thought that in these unorganized areas within our parks such bodies were good things. After the decision taken last evening I am going to be more cautious about the advice I accept from that particular body.

Two of the reasons given for the action were that we were running contrary to the Oberlander report, and were running contrary to recommendations of the land use code. On checking into the matter I find that in the allocation of this particular property for a motel we are following the Oberlander report completely, and in addition we are following the advice of the body involved in respect of the zoning plans. So I cannot understand how they can be so ill informed, and I shall be very careful about taking any advice from them in the future.

Mr. Dinsdale: A supplementary question, Mr. Speaker. Could the minister indicate whether the development on the Bow river site is in conformity with the recommendations of the Oberlander report with respect to proper land use? Further, could he indicate whether the opinion of the Banff advisory council was not confirmed by the interim development committee?

Mr. Laing: Mr. Speaker, I want to reply by stating that the Bowview lodge location is not presently zoned for motels, but the location is recommended zoned for motel use in the Oberlander report and the new land use code proposes this location should be zoned for motel use.

Mr. Dinsdale: Mr. Speaker, could the minister intimate whether the viewpoint of the Banff advisory council was substantiated by the viewpoint of the interim development committee?

Mr. Laing: No, Mr. Speaker, but the recommendation of the interim development committee was not accepted.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

ANNEXATION BY BRITISH COLUMBIA OF YUKON AND NORTHWEST TERRITORIES

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question I should like to direct to either the Prime Minister or the minister of northern affairs. I wonder if they are aware of a statement made, I believe yesterday, by Premier Bennett of British Columbia to the effect that British Columbia is now ready to annex the Yukon and Northwest Territories up to the 120th meridian, thus making British Columbia Canada's largest province; and in return he offers the residents of the annexed areas $300 million in road and railway links. If they are aware of this offer by the premier of British Columbia, do they think those concerned should accept?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I do not have the statement of the premier of British Columbia. He did not take me into his confidence before making this statement. However, I understand that the convention was treated to high drama at the time. I think there are 23 delegates present, of whom eight came from Alaska.

This is not a new suggestion by any means. My hon. friend may remember that the late great Duff Pattullo of British Columbia once made this suggestion in respect of the Yukon. Premier Bennett appears to be more generous in his territorial ambitions. I do not know the reaction of the people of the Yukon and Northwest Territories.

He is dealing, of course, substantially with the provision of transportation and communication in that area. We are very aware of that, as is indicated by our interest in highways. I should like also to pay tribute to the Canadian National Railways people who for some time have been making a very thorough study of the transportation requirements to develop the resources of that general area as they become available.

VETERANS AFFAIRS

IMPLEMENTATION OF RECOMMENDATIONS OF STANDING COMMITTEE

On the orders of the day:

Mr. Jack McIntosh (Swift Current-Maple Creek): I wish to direct a question to the Minister of Veterans Affairs. Is it the intention of the minister to place before the house in the near future any legislation implementing the recommendations of the standing committee on veterans affairs, as adopted by this house last session?

Hon. Roger Teillet (Minister of Veterans Affairs): There will certainly be legislation coming forward, we hope before the end of this session. I will have a report later.

ADMINISTRATION OF JUSTICE

HAL BANKS—FAILURE TO APPEAR IN COURT

On the orders of the day:

[*Translation*]

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

Has the minister consulted his cabinet colleagues or officials of his department concerning the proceedings which should be taken following Mr. Hal Banks' failure to appear in court yesterday, the date on which his bail expired?

Does the minister or his department intend to take steps besides what has already been done to explain to the Canadian people Mr. Banks' refusal to abide by Canadian law and to ensure the respect of the law in Canada?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I answered yesterday that, as far as the proceedings to be brought before the court of appeal were concerned, counsel for the department had been instructed to ask that, should Mr. Hal Banks not appear in court today after a 24-hour postponement, his appeal be dismissed or rejected. I also said that we had instructed our counsel that, in such a case, they were to start proceedings immediately to have the bond forfeited. Those were their instructions.

I tried to get a report on what was going on in court this morning, but counsel are still held up there. Tomorrow noon, however, I shall be in a position to report, not on whether or not Mr. Banks did appear, but in regard to the proceedings then in progress.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question.

Could the Minister of Justice tell us whether he asked experts of his department to examine the report of the Norris commission to determine whether it would not be possible to lay new charges against Hal Banks which would make him liable to extradition and would compel him to serve his sentence.

Mr. Favreau: Mr. Speaker, it is clear that a thorough study of this report was made before lodging proceedings against Hal Banks. However, I can promise my hon. friend that I will take into account the comments implied in his question.

[*Text*]

LEGISLATION RESPECTING DISSEMINATION OF "HATE" LITERATURE

On the orders of the day:

Mr. Reid Scott (Danforth): I should like to direct a question to the Minister of Justice. It arises out of newspaper reports concerning a fresh outbreak of anti-semitic literature in Toronto and Hamilton, one of which even goes so far as to claim that the Beatles are a Jewish plot to corrupt the world. Since most of this material is far more scurrilous, and in view of the need for some action, I wanted to ask the minister what progress he is making with the attorneys general of the provinces and their advice on amendments to the Criminal Code to deal with the dissemination of this type of material.

Hon. Guy Favreau (Minister of Justice): I do not feel it my duty to make any statement on my personal reaction to the performance of the Beatles, or to draw any inferences from comparisons with other people. However, as far as the last part of the question is concerned, I must remind my hon. friend that the answers I gave to these questions in the past have not been related to a conference with the attorneys general of the various provinces. I said that the attorney general of Ontario had undertaken to make a test case if the Royal Canadian Mounted Police were in a position to furnish evidence which would satisfy him that a complaint might be laid. We have not, as yet, been in a position to satisfy the attorney general that any such evidence was available, sufficient to establish at least a plausible identification of an accused with the hate literature. I repeat, there has been no understanding with respect to the holding of a meeting with the attorneys general, but the suggestion is one which I am ready to consider.

Mr. Scott: As a supplementary question, in view of the fact that part of the problem may be that the existing legislation is inadequate to permit successful prosecutions, would the Minister of Justice re-examine the Criminal Code to ascertain whether certain amendments to it would facilitate prosecutions respecting this type of material?

Mr. Favreau: With respect to the last question, Mr. Speaker, I must repeat that this is precisely a study which is presently being continued very actively, and I am also considering other ways and means to achieve the purpose sought, in a manner that would be as efficient and rapid as possible.

Mr. William Dean Howe (Hamilton South): As a supplementary question, Mr. Speaker, is the minister aware of the specific distribution of hate literature in the Hamilton area recently? I have received a letter or sample of the literature distributed in the Hamilton area, and I ask whether anything specific is being done to combat this.

Mr. Favreau: Mr. Speaker, the right hon. Leader of the Opposition put a question to me which related to that particular literature which, if I am not mistaken, consisted of a blue card with the ill spelling "This is the end". This has been referred to my officers to peruse in their study, in conjunction with the material already gathered.

Hon. Michael Starr (Ontario): As a further supplementary question, in view of the suggestion made some months ago by an interested delegation for an amendment to the Criminal Code in respect to this matter, will the minister advise whether this suggested amendment has been rejected both by himself and by the officials of his department?

Mr. Favreau: Mr. Speaker, that suggested amendment is one of those which are being considered. So far as I am concerned I am not satisfied that there may not be a better formula to define or to determine, but I must say that that amendment has not been rejected. It is still being studied and looked into, in comparison with other formulas that have been devised.

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

Mr. W. H. A. Thomas (Middlesex West): Mr. Speaker, I have a question for the Prime Minister. Could the right hon. gentleman advise the house whether it is still the intention of the government to establish an Indian claims commission and, if so, could he give us some idea when this is likely to be done?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, it is the intention of the government to do this and at as early a date as possible.

Inquiries of the Ministry

AIRPORTS

HAMILTON—AVAILABILITY OF FEDERAL FUNDS FOR DEVELOPMENT

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for the Minister of Transport, and I would like to thank him for the answer he gave me yesterday in my absence, with regard to Mount Hope airport. Since then I have found that there is a proposed $7½ million United States airport industry considering the use of Mount Hope airport at Hamilton, and the decision on it will be made by this Friday, thereby making it urgent for the government to reach a decision as to how much will be made available for this airport.

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, I think this is a matter that cannot be decided by the government alone. We are engaged in discussions with the city and there must be a meeting of minds on this matter, but I believe it is very likely to be decided quite soon.

SHIPPING

ST. LAWRENCE RIVER—ACTION FOLLOWING RECENT SINKING

On the orders of the day:

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, since I am on my feet perhaps I may answer the question I inadvertently failed to answer, which was asked by the hon. member for Three Rivers a week ago today, about the accident to the *Tritonica* around a year ago. The hon. gentleman asked whether following the inquiry into the sinking:

> —any special change in the routing or the various aid to navigation installations on the St. Lawrence was recommended and, if so, whether such recommendation has been followed by the department.

I am told that the report of the investigation into the sinking of the *Tritonica* did not contain any recommendations of the type referred to in the hon. gentleman's question, but buoys were immediately placed to mark the site of the wreck, and the intensity of navigation lights was increased to assist vessels to pass safely through the area. We can only regret that notwithstanding these precautions they were not effective in the recent case.

Hon. Léon Balcer (Three Rivers): Could the minister tell us, now that the inquiry by the department into the recent disaster has been concluded, whether it is the intention to order a public inquiry?

Mr. Pickersgill: The answer, sir, is yes.

COMBINES

SUGGESTED CREATION OF MARKETING ADVISORY COUNCIL

On the orders of the day:

Hon. Michael Starr (Ontario): I have a question for the Minister of Justice. In view of the fact that consideration has been given since February to the setting up of a marketing advisory council and the repeal of section 34 of the Combines Investigation Act, can the minister tell me whether his study has been completed and whether any decision has been reached with regard to future action?

Hon. Guy Favreau (Minister of Justice): As far as I am concerned, my study of the matter is complete. The reference I intend to make to the cabinet has not yet been made, so for some time this will remain a matter of government policy to be announced as soon as a decision has been taken by my colleagues and myself.

BUSINESS OF THE HOUSE

SUGGESTED REVERSION TO NORMAL SITTING HOURS

On the orders of the day:

Mr. Terry Nugent (Edmonton-Strathcona): I have a question for the Prime Minister. Perhaps, since the right hon. gentleman has just left, I could address it to the Acting Prime Minister. In view of the fact that we undertook to sit longer hours principally to get rid of some urgent legislation before an expected summer recess, would the government now be prepared to give consideration to the suggestion that we revert to normal sitting hours?

Some hon. Members: Hear, hear.

Mr. Nugent: I wish the hon. gentleman would at least take the question as notice.

Hon Paul Martin (Secretary of State for External Affairs): I am afraid I did not hear the question; I was thinking about the question asked by the hon. member for Winnipeg South Centre. Perhaps I could take a look at it.

Mr. Nugent: If the hon. gentleman would take a look at it and answer tomorrow, that would be fine.

CHANGE IN ORDER OF BUSINESS FOR TODAY

On the orders of the day:

Hon. Guy Favreau (Minister of Justice): Before the first item of business is called I think I owe it to the house to advise hon. members of a slight change which will take place in the order of business as announced last evening.

I had announced that we would first proceed with the second reading and committee stage of the Farm Improvement Loans Act, after which we would take the resolution preceding the bill relating to the Crop Insurance Act, to be followed by the resolution preceding the bill with respect to farm machinery syndicates. The order in which these last two resolutions will be taken will be inverted, and after the committee stage of the Farm Improvement Loans Act I will ask the clerk to call the resolution in respect to the farm machinery syndicates.

In view of certain circumstances which have been explained to the leaders of the other parties, I wish to advise the house that I propose, if we get through the committee stage of the farm loans act today, to ask for agreement to proceed with the third reading immediately. I must say I have had no firm answer from the house leaders of the other parties, but I just want to put them on notice that I will make that request.

Hon. Gordon Churchill (Winnipeg South Centre): With regard to the latter part of the statement made by the leader of the house, let me say that if there are no amendments as we go through that particular bill in committee it may be that the house could proceed to give it third reading; it does not appear to be highly controversial.

However, with regard to the other suggested change may I say that this type of alteration at the last moment is unusual and should not be indulged in without adequate reason being produced. We have made our preparations for the discussion of the Farm Improvement Loans Act, the resolution dealing with crop insurance and the farm machinery bill. To alter the order throws out the arrangements by which people who are taking these subjects seriously are prepared to act.

I dislike raising objections to alterations such as this, but I have vivid recollections of a slight change being made several years ago and a storm of criticism descending upon me, some of it from members who are still in the house such as the Minister of Transport, and some from a member of the then opposition who is now over in London.

Are these resolutions not being dealt with by the same minister, the Minister of Agriculture? Could they not stay in the order which was announced last night? There is not much purpose in announcing business the night before if a sudden change is to be brought before the house just before the first item of business is called. I lodge my complaint with regard to this manner of organizing the business of the house. It is surely possible to do it in a better way. Alternatively, let us be given an adequate reason why a change should be necessary.

Mr. Favreau: I am sure the hon. member for Winnipeg South Centre in the kindness of his heart does not wish a storm of protest to be raised against me. I am sorry if a few years ago, if the circumstances were almost the same, there was a storm of protest. Perhaps if I had been here I would have convinced my colleagues not to raise it, but I think there must have been a slight difference in the circumstances.

In any event, Mr. Speaker, the reason for my suggesting this slight change is that in our estimation the farm machinery syndicates matter will probably take less time than the crop insurance question; and second, that this is the type of legislation which if brought to a conclusion will be capable of immediate implementation and application. I think that would be sufficient reason for this slight change, together with the fact that I made it clear that today we would take the two measures, so I take it that in their professional conscience all my hon. friends have duly prepared for both matters.

However, Mr. Speaker, if it is felt that any serious inconvenience will be caused, in the circumstances I am sure the Minister of Agriculture would not mind proceeding in the order announced yesterday. But I think for the benefit of the farmers it would be preferable if we could dispose of the farm machinery syndicates resolution right away.

FARM IMPROVEMENT LOANS ACT

AMENDMENTS INCREASING LOAN MAXIMUM, AGGREGATE OF GUARANTEED LOANS, ETC.

Hon. Harry W. Hays (for the Minister of Finance) moved the second reading of Bill No. C-119, to amend the Farm Improvement Loans Act.

Mr. H. M. Horner (Jasper-Edson): Mr. Speaker, before this bill is passed I would

like to make a few remarks with regard to the question of credit generally and how this bill will fit into the credit situation of farmers, and particularly farmers in our area. This bill, of course, doubles the maximum amount that is available under the Farm Improvement Loans Act, from $7,500 to $15,000. This legislation is primarily concerned with the doubling of this amount.

All the credit that is now available to agricultural people in Canada is generally divided into two groups; first, short term lending under the Farm Improvement Loans Act; and second, longer term credit under the Farm Credit Corporation. Both these methods of obtaining credit for our farmers leave a gap, in that they are not well coordinated one to the other and farmers sometimes have a great deal of difficulty securing operating capital because their assets are tied up with either the Farm Credit Corporation or under the Farm Improvement Loans Act. I say to the minister right away that personally I agree with the increased amount he is making available to farmers through this legislation, but I think his departmental officials, and those in the economics branch of his department particularly, should be considering some method by which there could be more correlation between the kinds of credit that are available to farmers.

The Farm Credit Corporation of course takes a mortgage and it mortgages everything it can get its hands on, regardless of the amount of the loan. I suppose you cannot blame the officials for this, but this is what they do. Therefore, when the farm operator goes to the bank to try to obtain operating capital for his immediate needs, the bank has nothing left that it can take in security or hold, even where it can hold title rather than take chattel mortgages; and of course they cannot do this except under section 88 of the Bank Act.

It is a hardship on farmers when both these things tie up their assets so they cannot obtain additional operating capital which they need on a short term basis. I would also like to point out to the minister that with respect to the Farm Improvement Loans Act we depend upon the activities and policies of the chartered banks to make this money available. We have had several occasions in western Canada when the president of the chartered bank has said "We are not going to give these loans; we are going to tighten up on our funds". The first people to get hurt are the farmers who are trying to borrow money under the Farm Improvement Loans Act because, of course, the bank makes less money on this type of loan than it does on some other types.

It has happened on occasion that the local bankers in the farming communities have received instructions from their head offices regarding the maximum amount of loan that is set out in the legislation. These managers have been told "You are not to make farm improvement loans over $2,000". I have seen letters to this effect that branch managers have shown me. On occasion farmers have had their programs approved by the bank; then the head office of the bank has sent out a circular to the managers saying "We are not going to lend any more money in farm improvement loans". In this case our farmers have not received the loans for which they have applied.

It is vitally important, if we are to pass this kind of legislation, that we have the cooperation of the banking fraternity in order to make it effective. It is no use at all doubling the amount available under the Farm Improvement Loans Act if the bankers are not going to go along with it. I would hope the minister would make sure that he gets in touch with our banks, because they have made a practice over the years, particularly in western Canada, of cutting off the farmer first of all and worrying about him the least. This of course was the reason for the whole system of farm credit and farm improvement loans being put into operation in the first place; it was because our banks were not looking after the credit needs of the people in agriculture. There is hardly any point in passing legislation to double the maximum amount available if the bankers are not going to make this credit available.

An hon. Member: Why wouldn't they?

Mr. Horner (Jasper-Edson): Because they have done it before in situations of tight money, and they will do it again. The bank managers receive instructions from their head offices to cut down on the farm improvement loans because they are not making any money on them. They have done this under previous Liberal regimes and they did it also when our party was in power. As I have said, Mr. Speaker, I have seen letters from the head offices telling the branch managers not to make any farm improvement loans of over $2,000. What is the point of passing legislation providing that the maximum loan available shall be $15,000 if the banks are giving instructions to their man-

agers to curtail the amount of farm improvement loans? To my mind this is the very essence of the legislation. If the banks are going to go along with this program, fine and dandy. If they are not, we are just putting it on paper for nothing.

I would like to know from the minister whether he has had discussions with the chartered banks association and whether they will go along with this program. It is fine and dandy to pass legislation and then go home and tell our farmers, "There is now a maximum amount of $15,000 that is available in loans", but then when the farmer goes into the bank and asks the manager for a loan he finds he will only give him $5,000. There is not much point in passing this legislation unless the banks are prepared to co-operate in this respect.

I would ask the minister again whether he has had any discussions with the chartered banks in this regard. Are they going to make this maximum of $15,000 workable? Are they going to start giving $15,000 in loans under the Farm Improvement Loans Act? If they are not, I would point out that not very many farmers in my area have been able to obtain the maximum that is provided already.

The minister may well stand in his place and say that perhaps the farmers do not have sufficient assets to enable them to apply for loans, but it is not a question of assets at all. It is a question of bank policy, and that policy is set by the head offices of the banks which are located primarily in eastern Canada. I suggest the very crux of whether this legislation is going to be worth even passing is whether the banks are going to do the job once we do pass it. We are dependant upon the banks to do so, and in the past they have let us down on more than one occasion when it was vitally important to obtain additional money.

I recall that the last time the banks let the farmers down was during a period when the crops were under snow in western Canada. At that time the bank managers were receiving notices from their head offices directing them to curtail farm loans. Under those circumstances, when the farmer needs money he is not able to get it, in spite of legislation passed by this government.

Mr. Benidickson: Can you tell us the year of that occurrence?

Mr. Horner (Jasper-Edson): That situation occurred in 1962. That was a time when farmers desperately needed credit but the banks were curtailing loans under this legislation, when the maximum loan presumably available was less than the proposed $15,000. Bank managers followed this course on numerous occasions before the one I mentioned. They adopted this attitude in 1956, and I am sure will do so again unless the minister uses his power and that of the government to stop them from doing so. I think the minister should discuss this situation with the head offices of banks in an attempt to ascertain whether they are going to go along with this proposed increase.

Mr. Speaker, I should like again to refer to the other point I made reference to, regarding the tying up of farmers' assets. When a farmer makes a loan under this legislation his assets are tied up and he is unable to obtain bank credit for immediate needs when he finds it vitally necessary to obtain that credit. The farm improvement loans legislation is primarily aimed at intermediate credit, whereas farm credit legislation is aimed at long term credit. On many occasions a farmer finds it necessary to obtain immediate bank credit for day to day operations.

As one can readily see, there are three different categories of bank credit, treated in three different ways. A farmer may have obtained a loan through the Farm Credit Corporation and at the same time have a mortgage on his land, his machinery and perhaps his cattle. If he goes to the bank to get more bank credit of course he is unsuccessful, because his assets are all tied up.

We can propose legislation, put it on the order paper, debate it, pass it and have it become law, but that does not necessarily mean it will be operative. We must have some assurance from the banks that the purpose envisaged by this proposed increase will be understood and carried out by the banks, and I should like the Minister of Agriculture to make some comment in respect of whether he has had any discussions with the heads of chartered banks in this regard, and whether he can give us some assurance that they are going to help to make this proposed legislation work efficiently.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, while we are faced with this legislation at the present time I think all hon. members would be remiss if they scrutinized it just in the narrow context of farm loan legislation. I speak particularly at this time for eastern Canadian farmers, and it is my hope that this is not just one isolated piece of legislation but part of the government's larger and broader plan to keep farmers on larger, more economically productive farm units.

The minister said some days ago in this house that eastern Canadian dairy farmers were better off than they had been for 15 years, and he repeated that on two occasions. Mr. Speaker, that is just not the fact. While it is very interesting for us by this legislation to increase the loan limit to $15,000, many eastern farmers today cannot avail themselves of even the amount presently available. Many farmers in eastern Canada are abandoning their farms, particularly in my area, in spite of the minister's statement that the dairy farmers are well off in eastern Canada. Many of those farmers will be interested in finding out about even a few instances of loans being obtained up to the $15,000 limit under this new legislation.

I suggest this legislation will not be meaningful to many farmers in eastern Canada unless this government commences to make ARDA work. I do not intend to get into an argument on semantics as to whether the Minister of Forestry, with his responsibility for ARDA, is the eastern minister of agriculture. I do not intend to go to any great length in this chamber today to criticize the present government for not getting ARDA working faster and more efficiently in the province of Quebec; because while Ottawa and Quebec wrangle and argue, the plight of the eastern farmer, who so often is abandoning his farm at the present time, does not get any better. I simply say that unless much greater impetus is given to ARDA than has been given by the government in the past, and unless the Minister of Agriculture contacts the Minister of Forestry, who is now in charge of ARDA, and instructs him to get things moving in the province of Quebec at a much faster rate, this legislation before the House of Commons at the present time will not have much meaning to many eastern farmers.

Mr. Speaker, following the statements made by the minister in this house a number of days ago in respect of the improved position of eastern dairy farmers, I visited some farm fairs in my area, and through discussion of the situation with farmers I have ascertained that they are distressed by the fact that someone has apparently informed the minister that they are better off today than they have been for the past 15 years.

This present legislation, coupled with improved ARDA legislation, I hope will enable the Minister of Industry and the Minister of Finance, in co-operation with the Minister of Agriculture, to assist and encourage farmers to stay on larger farm units which are more economically viable. I hope this present legislation is not an isolated shot in the dark piece of legislation, but that it is well thought out within an integrated plan.

Mr. Speaker, I hope we will see the immediate establishment of vocational training schools in rural areas, because obviously when farms become automated and larger, young people tend to leave them. I hope the government will encourage young people to attend vocational schools in rural areas in order that when they leave the farms they will be trained and able to take their place in industry. I firmly believe it is part of the government's long term plan to keep farmers on larger farm units, and I hope this plan will be worked out in conjunction with a plan to increase vocational guidance and training in rural areas.

I hope the Minister of Industry will also consider, in respect of his area designation program, that tax incentives should be provided in rural areas for the establishment of light and medium manufacturing industries, and that tax incentives should be provided to companies which decide to retrain workers within their own plants and shops.

I am simply saying that while I support this legislation, it will not be effective by itself. I cannot see it will do much good in the long, short or immediate term picture unless it is integrated—call it indicative planning, if you will—with an over-all plan for agriculture in the east. As I said, eastern farmers are not now taking advantage of the present loan limits under this legislation, and because of the generally disastrous situation facing them many have been forced to abandon their farms.

I hope this legislation will be combined with a much greater emphasis on the ARDA legislation than we have seen up to the present time. I hope it is combined with an increase in the building of vocational training schools in rural areas. Again I say that I think the Minister of Industry in his designated area plans can certainly consider the possibility of tax incentives to medium and light industries which decide to establish in depressed rural areas in the east. I also think the Minister of Finance could seriously consider the giving of tax incentives to industries which will retrain workers in light or medium manufacturing industries in rural areas.

While the assumption is that legislation like this will encourage farmers to remain

on more economically productive farm units, we must be realistic and recognize that their sons and grandsons will often be obliged to leave the farms. While this may have to take place, we should make it as attractive as possible in every way for them to remain in rural areas. It is all very well for us at this stage of the scientific revolution to talk about mobility of workers and the necessity for workers and farmers to be willing to move. I understand this. Certainly in an industrial context it is most necessary that many industrial workers and also office workers be willing to be mobile and move in order to advance themselves. The same thing can very often be said of agricultural workers, but at the same time that should not remove from us in Ottawa the responsibility to make it as attractive as possible for our rural people to remain in a rural environment if they so wish.

I hope again that nobody who votes for this legislation will think it is going to work an overnight miracle for eastern farmers, in spite of the fact that the minister says the eastern dairy farmer is better off today than he has been for 15 years.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, ever since the present government came into office we have been waiting for the government and particularly the Minister of Agriculture to outline the agricultural program that the government intends to pursue. Various amending bills have been brought in which deal with the periphery of the problem, but we have had no indication that the government is either bringing in or contemplates bringing in any legislation which will grapple with the fundamental problem facing the farmers of Canada.

I think it has to be understood that agriculture today and for the past quarter of a century has been passing through the same kind of technological revolution which confronted industry in the past century. We have seen tremendous changes in agriculture because of the introduction of new agricultural machinery, new methods of farming, the use of electric power on the farms, new varieties of seed and new types of livestock. The result is that the agricultural population has been declining steadily while agricultural production has been going up.

The 1931 census showed that over 30 per cent of the population of Canada lived on farms. In 1961 this had dropped to 11 per cent. This means that a little over 30 years ago one Canadian out of every three lived on a farm. Today only one Canadian out of every nine lives on a farm. In terms of the labour force there has been a tremendous change and shift in population. Prior to world war II about a million and a quarter persons were in the farm labour force. This has now declined to 650,000, or one tenth of the labour force of Canada. In other words, out of the total labour force only one person in 10 is engaged in agriculture.

The amazing thing is that side by side with this decline in farm population and the farm labour force we have had a tremendous increase in production. Every once in a while we hear some swivel chair farmer saying that the problem of agriculture is that it has to become more efficient. There is no industry in Canada which has increased its productivity at the phenomenal rate which has been achieved by the farmers.

It is estimated that prior to the war one farm worker fed between 10 and 12 persons. Present figures indicate that every person working on a farm feeds about 30 individuals. This is a fantastic increase in productivity. The increase has not been in terms of quantity of goods only, but also in terms of quality of goods, because there has been a great increase in the quality of production. This has been brought about by increasing the size of farms and by the use of expensive machinery which makes it possible for fewer individuals to farm more land and produce more farm produce. No matter what branch of agriculture one investigates one finds that without fail productivity per worker has risen at a very considerable rate.

Alongside this increased productivity a great many problems have been created. Because farms are bigger, and because more expensive equipment is required, the capital investment for land, machinery and equipment per farm unit has increased tremendously. The time has passed when a person with four horses, a cow and a few chickens can start farming. Farming requires a very considerable amount of capital if the farmer is to operate an economic farm unit. Therefore parliament is well advised to give what assistance it can in the field of providing capital.

We have already done this by amendments to the Farm Credit Act. We are now dealing with the Farm Improvement Loans Act, doubling the amount of money which a farmer may borrow from a bank under this legislation from $7,500 to $15,000, as well as increasing the gross amount which may be

borrowed during the present period and increasing the total amount which the government may guarantee under the new period which terminates at the end of June, 1968.

No one can quarrel for a moment with the suggestion the government has made that we should make greater amounts of capital available to farmers for the purchase of land, the purchase of machinery or for the improvement of their buildings and their equipment. I think this is a commendable piece of legislation. However, there is a point I want to make, and I make it with reference to this legislation and equally with reference to the legislation which has to do with the setting up of farm machinery syndicates. Heaven only knows where the minister got the name "syndicates", but we will deal with that when we come to the legislation.

The point I want to make is that legislation making it possible for a farmer to borrow more money to meet his capital needs, legislation to help him make the best use of his machinery, does not even begin to grapple with the central problem that faces the farmer. Almost every speech I have heard the Minister of Agriculture make when introducing legislation or his estimates has stressed the thought that if the farmer got more capital, if he has a larger economic unit, if he improved his livestock or the varieties of seed he uses, this would solve the problem of the Canadian farmer.

No one will deny, Mr. Speaker, that there is value in helping the farmer get increased capital or helping him improve his farming methods or make better use of farm machinery. However, none of these things grapple with the central problem, and the central problem facing the Canadian farmer today is the problem of farm income. Until we come to grips with this problem we are just playing around with the agricultural situation.

One has only to look at two sets of figures to realize how serious the farm income problem is. The dominion bureau of statistics has made all the figures available, and the last figures just came in this morning. If one looks at the index for the prices of agricultural products, one will find that the index commodity figure in 1951 was 296.8. This figure has been declining steadily until in 1961 it reached 261.2. By 1963 it had declined to 259.3. The figures which have just become available today show that as at January 1, 1964 the index figure for agricultural prices was 252.1. From the base year 1951 to 1964 the agriculture price indices have dropped by 44.7 points, and that is a catastrophic drop in the price which the farmer receives for the products he has to sell.

During the same period there has been an alarming increase in the prices which the farmer has been required to pay for the commodities and services which he must buy in order to produce. The dominion bureau of statistics shows that in 1951 the index commodity figure for the goods and services which the farmer purchases stood at 230. By 1962 this figure had risen to 290.8 and by 1963 it had risen to 298.7. As of January 1 of this year the figure was 299.6. This represents an increase from 1951 to 1964 of 66 points in the index commodity figure for the prices of the goods which the farmer must buy in order to stay in business.

If one looks at the income figures, the dominion bureau of statistics prices and price indices, one finds some very interesting facts. The Canadian Federation of Agriculture in its July bulletin prints these figures and makes some comments thereon. They say that:

> —the returns of the average Canadian farm operator for his labour and for his capital investment are only slightly higher, (7.8 per cent) in 1963 than in 1949, while real wages to wage earners have gone up 40 per cent.

They go on to say that:

> —the prices of commodities and services used by farmers have gone up consistently since 1949, and in 1963 farm costs showed an increase of about 40 per cent over 1949.

Now, while this report says the average Canadian operator has received 7.8 per cent more in 1963 than he did in 1949, that is in current dollars. If we look at the table put out by the dominion bureau of statistics we find that the realized net farm income in current dollars in 1949 was $1,513,900,000. In 1962 this had declined to $1,490,700,000. The estimate for 1963 is $1,410,200,000.

But if we take the realized farm income in constant dollars and adjust the income each year for price changes, we find that in 1949 the farmers received $1,513,900,000, and by 1959 this had dropped to $977 million. By 1962 this had risen again to $1,074,700,000, and the estimate for 1963 is $986,700,000. In constant dollars, therefore, the realizable net farm income from 1949 to 1963 had dropped from $1,513,900,000 to $986,700,000. If we base this on the average income per operator, during the period from 1949 to 1963 we find that, in 1949 the average income per operator was $2,283, and by 1963 it had risen to $3,519. That is in current dollars, but if we squeeze out the water and make adjustment for price

changes, the income per farm operator only went up from $2,283 in 1949 to $2,462 in 1963.

No industry can possibly stay in business when over a 15 year period, the price of the goods it sells drops by 44 points while the price of the things it has to buy rises by 66 points. No industry whose costs are rising can stay in business when its net realizable income in constant dollars drops in a 15 year period from $1½ billion to $986 million. This is the real problem that faces agriculture.

Research, improved strains, better livestock, more modern machinery, larger farm units, ready access to capital, all of these are important but none of them will solve the agricultural problem until the government tackles the question of farm income.

So long as the farmer is caught in a cost price squeeze, so long as he finds the price of everything he has to sell going down while the price of everything he has to buy goes up, and goes up at an alarming rate, then he is doomed to eventual bankruptcy. Lending him money which he has to repay with interest is not going to solve his problem, unless there is some hope that the realizable income he gets will enable him to pay off these loans, and pay his taxes and meet his other costs.

I rose, Mr. Speaker, merely for the purpose of saying that we in the New Democratic party support any measure that will enable farmers to get credit for improving their farms and extending their operations, but we urge the government to bring down some policy to deal with the real farm problem, the problem of farm income, to get the farmer out of the cost price squeeze, to do something about farm costs which are going up, and about farm prices which are going down. Unless the government tackles this problem it is just playing around.

We have had no indication from the Minister of Agriculture that he is even seized of this problem, that he is even conscious there is a problem about farm income, and unless the government does appreciate this problem, tackles it and brings down legislation to provide the farmers with adequate income in relation to their increasing costs, then we are going to continue to have people leaving the farms. We will continue to have farmers going bankrupt, and to have agriculture as one of the depressed industries in this country.

In days gone by we had industrial black areas. Today industry is experiencing a period of boom, but it is a period of industrial boom which surrounds areas of agricultural depression.

We have cities that are growing and expanding, but our rural areas are going back, and they are going back because the farmers' income will not meet their costs of production and enable them to stay on the farms as efficient producers. Unless the government wakes up to this problem and tackles it, the problem will get worse.

We are not satisfied in this parliament to have the government hand out the soothing syrup, that if only we have more agricultural research and improved livestock strains and better varieties of seed, all our farm problems will disappear. They will not disappear until the government faces up to the problem of the inadequacy of farm income.

Today farmers find that most of the commodities they produce go into the export market where they must be sold in competition, without any protection, without the farmer having any control over the price at which they will be sold. At the same time that the farmer is selling in an unprotected market he is buying in a protected market where almost everything that he purchases has its price set by someone else. That is why he pays more for his machinery and gets less for his products. That is why the farmer is finding it increasingly difficult to meet his outstanding obligations.

We in this party will keep on pressing the government to face up to the problem of agricultural income and, if it does not face up to it, then we will certainly raise our voice repeatedly until the government either admits that it does not know what to do or is not going to do it, or finally resolves to tackle this problem and undertake the only kind of program, that can make agriculture a viable economy, and that is to put the farmers back on their feet and enable them to operate efficiently and to live comfortably on their farms.

The government has to do something about the problem of agricultural income. If it fails to do so the responsibility will lie with it, and the farmers will not be slow to recognize the government's negligence in this regard.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, my first words in taking part in this debate are to say that I am not an expert in agriculture, far from it, but coming from an area where agriculture constitutes an important factor in the economy, I think it is my duty to speak in the house on behalf of the thousands of farmers from my

area as well as from the province of Quebec in general.

We have before us a government bill providing for an increase in credit facilities available to farmers. If I look up the order paper, I note that two other measures concerning agriculture are to be considered shortly; both deal also with the need to increase credit available to farmers. In my opinion, this is a serious symptom of what seems to be a lasting disorder. I wonder whether we have the right formula to cure that disorder.

There is a desire to help farmers by all means but the only concrete measures which have been offered till now were all meant to get the farmers more deeply into debt by urging him to invest more in a unit which is already recognized as uneconomic, precisely because it is impossible for the farmer to produce at a cost which would leave him a profit at current market prices.

As the hon. member for Burnaby-Coquitlam (Mr. Douglas) who just resumed his seat said so well, I think that the farmers whom we now advise to increase their production have proved more than any other sector of our economy that they had anticipated this amazing development of productivity at all levels.

I believe, and there is conclusive evidence to support this statement, that farmers were among the first to improve their production, not only in quantity and in quality, as was stated by the previous speaker, but also in variety, since today, in Canada, they offer a great variety of meat, vegetable, fruit and all other farm products. I think we pay a tribute to the farmers when we recognize the tremendous contribution they made to the economy of this country and also the countless goods they supplied to us through their labour and initiative.

But I think we have not yet found a solution to their problems. I think it is somewhat as desperate people that farmers are now looking up to us. They are wondering whether they really knocked at the right door to get a solution to their problems.

What are we offering them? Easier credit. There is the evidence that they do not have enough income, since we have to offer them sources of cheap money and to guarantee their borrowings.

Is that not proof that their profession today is considered by lenders as not offering enough guarantee, since we feel that the government has to become a surety for them with the banks and other institutions? I think such a situation is really abnormal. I wonder if you will find now in industry firms with a capital investment of $50,000 to $60,000 which get so little income on an annual basis?

I think that it is in that particular area that we will have to work most; we will have to make the Canadian people understand that they must pay a fair price for the work done by the farmer to produce.

We are ready to pay, in the automobile industry, the manufacturing price plus a certain profit and I cannot understand that the Canadian people do not accept to pay a just and fair price for the farmer's production, although they accept to do it for any manufactured product.

I think that farm production is the very basis of life and that the population must accept to pay a just and fair price for it. At the present time the farmer is in our country the worker who gets the lowest pay for his work.

In my opinion, that is the problem and it is not by providing farmers with credit to enable them to purchase equipment or to enlarge their farms that we will remedy the situation. We are forgetting that the basic problem is one of marketing and of adequate prices for farm products.

It is said that farmers now work for 10 to 15 cents an hour. That is fantastic. A floor sweeper in a plant gets from $2 to $2.25 an hour for unimportant work which, for all practical purposes, requires no special qualification or skills. In comparison with such a salary, the income of the farmer who must support his family is just simply ridiculous. That is why so many farmers leave the farm for the city; they realize that people who have absolutely no qualifications earn much more than they do after a whole year during which their wives and children have worked hard for 10, 12 and 18 hours a day.

We will surely vote in favour of Bill No. C-119 which is before us but that legislation is only a partial solution to the problems of the agricultural industry. When the act was passed in 1945, it certainly met a need and it will definitely be useful for farmers to see the amount of loans available for the purchase of machinery raised from $7,500 to $15,000. However, there is a slight problem that has been brought to my attention by farmers and I should like to speak about it because it concerns the whole field of agriculture.

Nowadays farmers are being asked to diversify their crops. Naturally that calls for the purchase of machinery and farmers are

extended the necessary credit to make the additional investment.

But there is another problem. When they want to buy machinery, they can get a loan from the bank, because the latter gets a lien on the machinery bought and knows moreover that the federal government guarantees reimbursement of the loan. The bank is thus assured that it will not lose anything and the only person who has no such assurance is once again the farmer. The bank has no problem, since it does not run any risk, it does not do any work; on the other hand, the farmer takes all the risks, he is responsible and must work to meet his obligations at the end of the year.

He is the only one under our financial system who is not insured, whose income is not guaranteed. The bank has been assured that it would get 6 per cent interest. There is no doubt that the banks do not want to take any risk; they do not even take the risk of working, they will surely not run the risk of losing money, but the farmer must assume every risk.

When the farmer wants to buy farm equipment, he can do so through this legislation and in order to improve his situation, he is actually asked to diversify his production or to specialize in some field. To this end, farmers must have their production financed on an almost annual basis. In the spring, they must obtain the necessary credit in order to purchase seed grain, lime, fertilizers; they need credit to buy feed grain so as to feed their cattle all through summer and until fall. At present, this type of credit is not available from the banks, which are unwilling to take any chance, because there is actually a risk in that case, since the government does not provide any guarantee. And the banks cannot mortgage the future production, because nobody can guarantee it. Since he is unable to secure a loan on those conditions, the farmer must apply to private institutions, and sometimes even to more or less honest money lenders. In most cases, he has to obtain credit from the large milling enterprises. One knows what it means: farmers must get their feed grain by signing a contract with a mill and commit themselves to buy all their grain there all through summer and until fall. At that time, they unload their crop on the market without knowing its value in advance. There again, mills take no chances, but the farmers run all the risks and have to repay the loans in the fall. If not, they will be dispossessed of everything they own.

Then, I think that if we really want farmers to profit by this legislation, loans granted by a bank should be guaranteed, because under our present system, the bank cannot lose. But I do not see why we could not take another step forward and guarantee to the banks that they will not lose any money if they grant reasonable loans to farmers to finance their needs throughout the summer until harvest time in autumn.

We should accept that first step, since we have already accepted the principle of guaranteed loans to banks. We should guarantee those loans to banks to enable farmers to elude the control of large millers, enjoy a greater independence and get their feed grain at cheaper prices. In other words, they would be free. They would not be compelled to buy solely from dealers who in most cases are taking unfair advantage of them.

I think that this is the main argument I wanted to develop in my contribution to this debate this afternoon, in short, we should guarantee loans granted by banks to farmers to finance their purchases throughout the year up to harvest time in autumn, in the hope that the farmer would have enough money to his credit to finance his purchases during the year and thus avoid paying 6 per cent interest since, in my opinion, he thus loses any profit realized during the year. Of course, with our present system, this will not come about tomorrow.

So, the solution to this problem would be to ensure for farm products a fair price which would cover production costs plus a reasonable profit as any other production in any other industrial field. Agriculture is a basic industry and therefore it is our responsibility today to see to it that farm products are marketed at a reasonable and fair price.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would have a few comments to make before the bill is read for the second time. I see the Minister of Agriculture (Mr. Hays) is in his seat and I should like to bring to his attention once more the problem of agriculture in Quebec and particularly in the area I represent.

The minister will perhaps be a bit annoyed at always hearing members from the province of Quebec speak on the agricultural needs of Quebec. However, 30, 35 or 40 years ago members from the west were heard stating the needs of western agriculture. I note that the needs of the eastern farmers today are about the same as those of the western farmers, 35 or 40 years ago.

Today, I would like to try a bringing together by trying to have the Minister or Agriculture enter the province of Quebec, and there examine and at least understand the needs of Quebec farmers.

Mr. Speaker, I think that the present crisis in Quebec agriculture must be solved through the united efforts of farmers and of the governments.

Farmers should be helped primarily by their respective provincial governments but, inasmuch as our present system forces us to ask Ottawa, for the funds required to fill the gap left by the provincial government, we have to ask the federal government, no matter how reluctantly, to do something to help Quebec farmers.

Mr. Speaker, our provincial government cannot, by itself, solve the problem which exists today, for the simple reason that it lacks the necessary income. That is why we urge the federal government to act as quickly as possible, so it will not let our Quebec agriculture collapse once and for all.

Today Bill No. C-119 is introduced with a view to increasing farm improvement loans.

Mr. Speaker, I must admit very frankly that the reading of this bill leaves me quite puzzled, because I wonder if the government sincerely wants to assist the farmer by increasing—

[*Text*]

Mr. Nasserden: Mr. Speaker, I rise on a point of order. The hon. member who has the floor at the present time is delivering in French a speech for which I believe he has made a great deal of preparation, yet across the way we have the Minister of Agriculture (Mr. Hays) not listening to this speech—

Some hon. Members: Order.

Mr. Nasserden: —conversing with those on the other side of the house and laughing.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order. I am sure the hon. member realizes that is not a point of order at all.

Mr. Nasserden: I think it is a point of order, Mr. Speaker, because we all know the minister did not have the earpiece on, and he cannot understand French.

Mr. Deputy Speaker: If the hon. member thinks it is a point of order perhaps he would refer the Chair to the particular standing order to which he is referring.

Mr. Scott: Section 1.

[Mr. Gauthier.]

Mr. Deputy Speaker: Order. The hon. member for Roberval (Mr. Gauthier).

[*Translation*]

Mr. Gauthier: Mr. Speaker, I could see that the minister was talking with other members, but I was under the impression that he was consulting his colleagues in order to know whether Quebec agriculture still concerned them. That is why I let him go on. I think he will get good advice, because I know those with whom he speaks now and I know they can give him most profitable suggestions for Quebec agriculture. As a matter of fact, Mr. Speaker, those two members are from Ontario and they know Quebec very well, I presume.

I see the Minister of Agriculture has left the house; he will probably consult Quebeckers, which may be more favourable to agriculture in Quebec.

I am not against the increase proposed in Bill No. C-119, but I wonder seriously whether the fact of increasing the loan from $7,500 to $15,000 will really be profitable for Quebec farmers.

One must have lived in our area and accompanied some Quebec farmers to our chartered banks to know the difficulty they experience when they want to borrow $1,000 or $2,000.

Mr. Speaker, is it sincerely believed—as far as I am concerned, I do not believe it at all, take my word for it—that in the coming months or years, farmers will dare borrow up to $15,000 from chartered banks? This is impossible in 98 per cent of the cases in the province of Quebec, especially when one knows all the investigations conducted by the banks in connection with such loans and all the guarantees they require. In fact some banks require as collateral more than three or four times the amount of money they are risking by granting some loans to farmers.

I know beforehand that in 98 per cent of the cases, this bill will not be to the advantage of our farmers in the province of Quebec, not because the legislation is not good, but rather because the chartered banks are the only judges, in brief, the ultimate judges in all these loans, just like they are for all the transactions they enter into with the farmers.

It is all very well to say in this house that we grant loans to farmers, and we do this and that in order to allow our farmers to get into debt. But what are we actually doing? We are simply acting as sales agents between the chartered banks and our farmers. That is all we are doing in this house. We incite the

farmers to get into debt with the chartered banks. Moreover, the government guarantees such loans, not in order that the farmers may not lose anything, but above all in order that the chartered banks may not lose anything.

The federal government guarantees the loans, and we are asking our farmers to get into debt so that two, three, four or at the most ten years from now, their properties will not belong to them any more and they will be so indebted that they will have to sell everything and seek refuge in the city.

Furthermore, I have had occasion to witness this in numerous cases, as far as loans from the Farm Credit Corporation are concerned. As a matter of fact, some farm loan counsellors, seemingly competent, told a farmer who owned four lots and more than 250 acres of land under cultivation: "You had better sell your farm and go to the city". I have heard that dreadful remark with my own ears and I would like to draw it to the attention of the Minister of Agriculture who, once again, unfortunately, is not in the house. However, I hope he will read my remarks, for I have already pointed out to the house the doings of certain farm loan counsellors whom I had qualified as not being serious, as amateurs, as people who sometimes are touring the country with their wives telling this or that farmer who has no gravel yard or no sidewalk in front of his house: "You are too poor to obtain a loan, go to the city".

Mr. Speaker, I am sure that as long as we have that kind of men and, as I said in one of my articles, men from the cities trying to show the farmers how to live on a farm, we shall always be faced with failures such as the one we are encountering at present. And this will last until the government awaken and realize that they must send competent technical advisers to the farmers so as to see that these loans will enable them to live, for some years at least, on their farms.

Mr. Speaker, I said a while ago that we were merely selling agents. I am asking the government to try, at least in that capacity, to have their say with the banks as far as these loans are concerned.

It has often been claimed that the government controls the banks. This is 8 per cent true. Now, the government might at least control them in so far as directing them to give the farmers a fairer deal.

Moreover, if the government undertakes to guarantee farm improvement loans it should see to it that the farmer who needs only $4,000, $5,000 or $6,000 to raise the yield of his farm by 50 per cent, obtains those sums. At present, the bank manager will offer him only $2,000, whereas he needs $5,000 or $6,000. That is a way of refusing a loan, because the farmer is bright enough to know that a $2,000 loan will often put him in a worse position than before.

For instance, a farmer wants to develop a business of his own—I say of his own, because I am not speaking of such business firms as exist at this time in my country, such as commercial hatcheries, piggeries, flour mills, or any other large animal producing business making a good profit. Indeed, at the end of the year, when the farmers have worked hard, night and day, for those companies, they find that they have earned a salary of about $1800 to $1900 to maintain a family of 10 or 12 children. And we think that this is fine. And we leave the entire control to those large companies or mills which establish profit-making farm production here and there. And then, we are told in this parliament: All is well, farm production is increasing. We are told that it is increasing, but it is always to the advantage of the centralizer, the capitalist, and not of the small farmer.

Mr. Speaker, we in Quebec are able to produce. But I say, even if it should surprise some people, that the crucial point, in Quebec farming today, is not necessarily to accelerate production. To my mind, the capital question is marketing.

I was brought up on a farm, and I know that the farmer's problem in the fall consists in disposing of his products at a reasonable price.

If today we may congratulate ourselves that there is prosperity in the west, it is mainly for this reason: Not only is western production very large, but its marketing is excellent. The west succeeded in establishing the Canadian wheat board, with the help of the governments. Should the Canadian wheat board be abolished in that part of Canada, I am sure that the living standard of our western farmers would decline by 50 per cent.

What do we really need in Quebec? A sound marketing policy so that farmers can be sure that they will sell their products at an economic price.

I am sure that when we have succeeded in giving Quebec a sound marketing policy with economic prices, Quebec farmers will not be reluctant to produce, production will come automatically and in large quantity, as is the case in the west.

Look at the variety of farm produce in the province of Quebec. In a few years, thanks to this marketing policy and government help, the producer will be more prosperous. It is what has taken place in the west. When the Canadian wheat board was set up, farmers made an effort and that effort was supported.

In my area, I know several groups which work hard, but their efforts are supported neither by the provincial government nor by the federal government. And I must say that in this field the work of the provincial government in co-operation with the federal government is badly directed.

I will give only one example: the blueberry farm program under ARDA. One after the other, the federal and provincial ministers visit the area and say: We have invested more than $3 million in blueberry farms; look how wonderful it is.

Precisely, Mr. Speaker, this is the mistake that is made. Production and overproduction are looked after, and no attention is given first to marketing.

We have set up more than 14 or 15 of these blueberry areas. But, try to find out anything about them. Nobody dares mention them, because nothing has been produced. There has not been anything other than the personal efforts of those who worked for the marketing.

If, this year, blueberries sold a little better, it is due to the fact that two or three private organizations took the matter in hand—and I want to say it in this house—without any kind of help from any government, while we spent $3 million—I am not the one to say it, Mr. Speaker, it is the ministers—in an attempt to set up blueberry patches. However, there was not a cent spent for marketing, not one cent.

I just heard a remark. Since farming now comes under forestry, I say to the Minister of Forestry (Mr. Sauvé) that it would have been better for him to appropriate $1.5 million for marketing and $1.5 million for the development of blueberry fields, in order to help those already operating blueberry fields, instead of systematically destroying the forests.

Tremendous projects have been set up lately. Trees are cut down over hundreds of acres of forest lands in order to grow blueberries. Exactly the opposite should be done. Those who were entrusted with this problem know nothing about blueberries and therefore, they were unsuccessful this year, because out of 14 blueberry fields, not one yielded a profitable crop.

Mr. Deputy Speaker: Order. I wonder whether the hon. member now speaking should not be concerned that he is straying a little from the matter now before us, that is the Farm Improvement Loans Act?

Mr. Gauthier: I was just going to stop dealing with that point, because I was thinking that my example was perhaps a little too long. So I will come back to the bill now before us, that is the Farm Improvement Loans Act.

[*Text*]

Mr. Byrne: On a point of order, Mr. Speaker, I wonder whether the hon. member was not trying to get the attention of the hon. member for Qu'Appelle, who does not seem to be interested in the discussion.

[*Translation*]

Mr. Deputy Speaker: The hon. member for Roberval.

Mr. Gauthier: Mr. Speaker, I only wish to prove to the house that if loans are to be granted to improve the lot of Quebec farmers, they would be more beneficial if at least half of them were meant to assist the farmer in organizing the marketing of his products on a solid basis. This is the particular matter to which I want to call the attention of this house.

Let us stop getting farmers to run into debt, let us stop looking at only one side of the picture while we completely forget the other, which is much more important than to be willing to grant loans.

Our farmers do not need loans, they need substantial assistance instead. I figure it would be much better to take 50 per cent of the amount allocated and hand them out as subsidies, instead of continuing to burden the farmers with more debts.

You can boast all you want, throughout the province, about the help you are giving farmers, but I maintain you are only helping them temporarily and that, in its present form, that assistance is harmful to them. When you truly and sincerely want to help somebody, you give him something.

Here, I should like to touch upon a subject about which farmers feel very strongly. I shall not wander too much from the resolution and, in any case, I shall come back to it in a few seconds.

I should like to deal with farm machinery. Here again the Minister of Agriculture should take whatever steps are necessary to try to reduce the price of farm machinery

which the farmers need to operate their farms.

Coming back, now, to farm improvement loans, I will say that if we continue, through chartered banks, to make loans to farmers, thus getting them deeper into debt, we are simply playing into the hands of the financiers. The final solution to the whole problem, as regards both farm improvement and the Farm Credit Corporation, would simply be to decide once and for all to set up a special fund to make loans which would really help the farmer. That fund will be made available, even for marketing, through the facilities of the Bank of Canada. Let us stop lending through private banks, that is chartered banks; let us stop always depending on them to try and get our economy moving. In advance, we are sure that chartered banks will start moving their own economy before the economy of the country.

We have a bank in this country, an institution that belongs to us. Why not use it to help agriculture, which is the basic industry in our country? Now that the Minister of Agriculture is back in his seat, I am sure that he will take the remarks I just made into serious consideration, in order to arrive at some understanding of the needs of agriculture in Quebec and then act as quickly as possible, so as to rectify the farmers' situation in that province, because if we want to put a stop to the rural exodus towards the cities, the federal Department of Agriculture, together with the provincial minister of agriculture, must absolutely try to find a much more serious solution than all those proposed to this date.

[*Text*]

Mr. J. E. Brown (Brantford): Mr. Speaker, the farmers of my constituency have looked forward for some considerable time to the passage of this bill. This bill is very good legislation. I should like to remind the minister however that many of its benefits could be nullified by the attitude of farm valuators, as that attitude has been evident under farm credit legislation. On many occasions in my constituency these valuators have valued farms in such a way that if this situation continues under the banks, the loans made under this bill will be almost worthless to the earnest, progressive farmers in their efforts to modernize and expand farm operations. I refer particularly to those farmers residing in the localities around the village of Mount Pleasant and the villages of Scotland and Burford in my constituency. I trust nevertheless, Mr. Speaker, that as a result of this legislation loans will be more readily available than they have been in the past.

I must hasten to add, however, that I agree with much of what has been said by hon. members who have preceded me in this debate. I look forward hopefully, Mr. Speaker, to some realistic change in the near future in connection with the availability of farm loans in general in order that the farmers in my area and in my province may maintain their traditional position. If this is to be done they will require more and more money for modernization and expansion in order that agriculture may play a more vital part in the life of my constituency in these times.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I just want to make a few remarks on this Bill No. C-119 and I intend to restrict my remarks to the Farm Improvement Loans Act. I come from a province in which these farm improvement loans are greatly appreciated. One of the reasons for this appreciation is that these loans are made by the banks in times of emergency. In my province crops are very uncertain things. In 1960 or 1961 when we had snowed under crops, many farmers availed themselves of these loans. The same situation could occur this year. At one time we thought we had a very good crop and farmers had no intention of borrowing money. Now, after these heavy frosts, our farmers may have to again avail themselves of these loans. They may have to use the frozen grain as feed for livestock or by going into hog production. In this way they will realize a better return from the grain than by selling it to the Canadian wheat board.

I am pleased to note that the size of the loan has been increased from $7,500 to $15,000. In the past we have found that a loan of $7,500 was not sufficient to enable farmers to invest in new machinery such as grain dryers, which may be needed this year. I was home over the long week end, and it had been raining for three or four days. The prospects were that it might rain for another three days. This means that the crop, which is ready to be combined, is going to be damp and tough. Farmers may be able to make use of these loans by buying grain dryers. As I have said, this is very important because you can go to your bank or credit union and avail yourself of these loans. I regret that this legislation was not introduced a year ago to increase the amount of the loan to $15,000. Western agriculture today is highly mechanized and a loan of

$7,500 is not large enough to enable farmers to buy certain implements, such as combines.

As I have said, the farmers make use of these loans in cases of emergency. I appreciate too the fact that the loan fund has been increased from $400 million to $500 million. Another thing I should like to stress is that when livestock is purchased these loans are available for a period of ten years. When conditions are such that there may be a drop in farm income, the banks are often reluctant to extend this credit to farmers. However our experience in the past has been good, and I am pleased that the minister saw fit to increase the amount of the loan from $7,500 to $15,000.

Mr. E. Nasserden (Rosthern): Mr. Speaker, like many of the other members in the house I want to congratulate the government for introducing this legislation at this time. This amendment will result in an increase in the amount available under the Farm Improvement Loans Act, and this is something to which the farmers have been looking forward for the last 16 or perhaps 20 months. A great change has taken place during that period in the type of machinery that the farmers are likely to use.

There were some of us who thought this legislation might have been dealt with earlier in this present session. This draws to our attention the importance of the priority that is given legislation in the House of Commons. I felt the government would have been well advised to have brought this legislation forward before introducing the farm credit legislation and then this legislation would have been of some use to the farmers during this harvest period. This was one of the pieces of legislation that was on the statute books when the government led by the right hon. member for Prince Albert (Mr. Diefenbaker) took office.

After that the government led by him retained this as a part of the over-all agricultural policy of the country, and made certain improvements to it. In its initial stages it provided loans of something like $3,000 and now, under the terms of this bill, loans up to $15,000 will be provided. This indicates something of the inflation that has taken place in the price of farm land, and also something of the increased capital costs for anyone engaging in agriculture.

I would like to commend the hon. member for Brantford (Mr. Brown) on his reference that this legislation alone is not enough. I should also like to commend the hon. member for Roberval (Mr. Gauthier) and the hon. member for Lake St. John (Mr. Lessard), who drew attention to the government's failure to tackle the problems facing Quebec farmers. Each of these members has indicated to the government that what farm people need more than anything—and I am not at all decrying the value of this measure—is attention to the problem of marketing their products.

We in this party are proud of the record achieved by our government when the hon. member for Qu'Appelle (Mr. Hamilton), who is presently in his seat, was minister of agriculture. One of the members of the Ralliement Créditistes mentioned the problem producers had in getting a market for blueberries, and this is only one of the marketing problems.

I was interested in the remarks of the leader of the New Democratic party (Mr. Douglas) as we in this party have also been waiting for the minister to indicate the agricultural philosophy and general policies of the government. Having these minor amendments brought in on a piecemeal basis is hardly fair to members of the house when they are considering the over-all effect of an agricultural program. Without saying more I repeat that this is a good piece of legislation, perhaps a little late in its introduction, but it should be of benefit.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the purpose of Bill No. C-119 is to increase from $7,500 to $15,000 the maximum amount which a farmer can borrow.

I will say quite sincerely and quite frankly that that is not doing too much to help our farmers get out of a difficult spot. However, I should like to take this opportunity to state that Quebec has not taken advantage as much as the other provinces of this legislation which has been in our statute books for a number of years.

I have here the 1963 report of the Minister of Finance (Mr. Gordon) on the administration of the Farm Improvement Loans Act. When looking at this table, we find, for instance, that, with regard to the purchase of farm implements, Saskatchewan comes first with 18,913 loans; Alberta, second, with 15,246 loans; Ontario third with 9,369; followed by Manitoba, with 7,387, and Quebec with 2,223 loans.

The same situation prevails with regard to the construction, repair and alteration of farm buildings.

As far as the purchase of animals is concerned, Alberta comes first with 3,057 loans; Saskatchewan, second, with 1,899; Ontario, third, with 1,531; Manitoba, fourth, with 1,367; British Columbia, fifth, for livestock purchases, with 429, and Quebec comes last with only 364 loans.

You will agree, Mr. Speaker, that if we compare our province which has six million people, with Saskatchewan which has one million, Alberta with a little more than one million, British Columbia and Manitoba which do not even have one million people, and if further, we compare the total of 2,871 loans granted to the province of Quebec with regard to livestock purchases and other improvements, machinery purchases, construction, repairs, alteration of farm buildings, to the total of loans granted, Quebec comes fifth in line. Saskatchewan comes first with 23,519 loans for a total of $41,639,177; Alberta, second, with 22,085 loans for a total of $37,763,054; Ontario, third, with 14,582 loans for a total of $26,472,190, and Manitoba, fourth, with Quebec in fifth place with a total of $5,598,713.

Mr. Speaker, it is hardly surprising to my French Canadian fellow members from the province of Quebec, whether they be Liberals or Conservatives, that the government today should boast about the advantages of ARDA and so on. On the other hand, why have loans been systematically denied to applicants from the province of Quebec? Do the Quebec farmers not have as much courage as those in the other Canadian provinces to meet their obligations and to take the opportunities they have to produce something on their farms? Just a few minutes ago, somebody was dealing with—

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

Mr. Caouette: Certainly.

Mr. Dupuis: Is the hon. member for Villeneuve not aware of the fact that the province of Ontario does not provide farm loans, and that it is precisely for that reason that the federal government is granting more loans in Ontario? In the province of Quebec, many loans could be granted by the federal government but they are not for this reason.

Mr. Caouette: I understand what the minister means, but he must admit that we pay taxes just the same in Quebec.

It is not the federal government which pays for the provincial farm loan. If Ontario, Saskatchewan or Alberta do not have a provincial farm loan board, that is their business. In Quebec we have one, but it is not enough, and it is precisely on this point that I want to call the attention of the house. I feel that it would be reasonable to give Quebec the financial means to grant its own loans to farmers. The problem will be solved when applications for loans from the province of Quebec are no longer accepted at the federal level.

Mr. Speaker, I have here a comparative table which will likely be of interest to the Minister without Portfolio.

In 1962—and please note that I am not a Conservative, far from it—under a Conservative government, the number of loans in the province of Quebec was 3,244, for a total amount of about $5½ million, while in 1963, under this government, the number of loans was only 2,871, a decrease of 373. Why such a difference? Why do the Liberals lend less to Quebec than the Conservatives did when they were in office? It would be interesting to know the answer to this question.

In the same report, there is table No. 6 concerning loans granted for the purchase of agricultural implements, new and used. The province of Saskatchewan comes first with 19,432 loans, for a total amount of $34 million; the province of Alberta is second with 15,919 loans, for a total of $26 million; Ontario is third with 9,890 loans, for a total of $16 million; Manitoba comes fourth, with 7,597 loans, for a total of $12.7 million. Quebec comes next with 2,506 loans for a total of $3,934,604.

The federal act applies as much in the province of Quebec as in the other provinces concerning loans for the purchase of agricultural implements, new or used.

In fact, I know personally that the federal authorities have refused to guarantee payment of a tractor or a small farm truck; that happened many times.

If we now consider table No. 7 entitled: "Loans for the construction, repairs and alterations of farm houses and other farm buildings"—

Mr. Dupuis: Mr. Speaker, I do not want to interrupt the hon. member, but I would like to point out that, a moment ago, he stated that 3,244 loans had been made in 1962 under the Conservative administration.

Mr. Caouette: Yes, Mr. Speaker.

Mr. Dupuis: The hon. member also said that in 1963, 373 fewer loans were granted.

However, the hon. member forgot to say that, even though fewer loans were granted, the total amount of the loans is not lower. In fact, it is a little higher. This means that the quality rather than the number of borrowers has been taken into account.

Mr. Caouette: Mr. Speaker, does the minister mean that the quality of borrowers is lower in the province of Quebec than in the other provinces?

Mr. Dupuis: Mr. Speaker, that is not what I said at all.

Mr. Caouette: The amount loaned out matters very little. What counts is the number of farmers who will actually benefit from this assistance provided under the farm loan legislation.

Mr. Dupuis: Mr. Speaker, if you lent money to someone and you knew beforehand that he would be unable to meet his obligations, would it be good policy to lend him money?

Mr. Caouette: Mr. Speaker, does the minister believe there are only 2,871 solvent borrowers in the province of Quebec?

Mr. Dupuis: There are others who have benefited from the provincial farm loan.

Mr. Caouette: Certainly, but the provincial farm loan is under the jurisdiction of the province, not of the federal government, and I am now speaking specifically about the federal farm loan legislation.

Mr. Dupuis: They are the same farmers.

Mr. Caouette: Yes, I understand, but the same farmers, in some cases, tried in vain to borrow from the federal government. They even encountered a refusal from the federal authorities, Liberal as well as Conservative, and that is why I insist to have the government give as much importance to the province of Quebec as to the other provinces.

The Minister without Portfolio just said that 2,871 loans were granted, for a total of $5,598,000, in comparison to 3,244 loans in 1962, for a total of $5,515,000. Perhaps larger farmers were helped, with larger loans; however, a smaller number of farmers were assisted.

The Minister without Portfolio and, needless to say, the government, are aware of the fact that under ARDA, it is intended to help not an exclusive class of farmers. In fact, it is intended to reach all the farmers and to try to assist them. I am of the opinion that had this been done some 10 or 15 years ago, we would probably not have to face today's problems. The Quebec farmers would probably be as well off as their colleagues in other provinces, for the minister knows very well that agriculture is less prosperous in the province of Quebec than in the province of Ontario or other provinces.

The minister is aware also that the present state of agriculture in the province of Quebec is not due to the negligence of the farmers, but really to the bad administration of the provincial government as well as of the federal government. In fact, our governments have not assisted our eastern farmers in the same way as the farmers of other provinces.

I now go back to table No. 7: loans for construction, repair and alteration of houses and other farm buildings. I appreciate that in this field also, there is the provincial farm loan, but I know that quite often, in some cases, and more particularly during an election, they have played politics with the farm loan. The minister is aware of that, because this has been done in his own constituency.

Mr. Dupuis: At the federal level?

Mr. Caouette: No, on the provincial level. They played politics with the provincial farm loan by making propaganda in certain parishes. As a matter of fact, they were saying that such or such a parish would get farm loans provided that this or that man agreed to take part in the candidates' political organization. We have seen some politicians play politics with agriculture instead of assisting it.

Table No. 7 shows that 223 loans were granted in Quebec for construction, repair and alteration of houses and other farm buildings; those loans amounted to $904,811. On the other hand, Ontario was granted 2,980 loans, Saskatchewan, 1,634 and Alberta, 1,851.

Table 8 of the same report shows that Quebec holds the fourth place concerning loans for other improvements. Ontario got 52 loans for clearing and seeding while Quebec got none. It must be said, however, that our province has its own department of colonization.

Under the heading "Irrigation works", one can see that 83 loans were granted to Ontario, 284 to Alberta and eight only to Quebec.

As far as farm installations and electrification are concerned, 180 loans went to Ontario, 21 to British Columbia, 22 to Alberta, 24 to Saskatchewan and 28 to Manitoba. In that respect, Quebec comes second with 39 loans.

Mr. Dupuis: Those figures do not include provincial loans; that is important.

Mr. Caouette: Mr. Speaker, the important thing is federal loans. At that rate, we would still beat zero, since the province of Quebec can provide farm installations and electrification.

In the field of fencing and drainage, Quebec got three loans as compared with 112 for Ontario.

As for "other than improvements and installations", the report indicates that 499 loans went to Alberta, 451 to Saskatchewan, 151 to Manitoba, 275 to Ontario and 11 only to Quebec.

All this, Mr. Speaker, is just to show that we are doing our share just the same for agriculture and that we are ready to help the other farmers who are still in need of assistance. But I feel the federal government should consider the possibility of calling upon the provinces to establish their own programs, just as Quebec has its own, and of providing the funds required to finance agriculture, not only in Quebec, but in the other provinces as well. For instance, instead of telling us it is ready to lend the sum of $15,000, the federal government should give back to the province its sources of taxation, so the province can have the means to implement this federal suggestion. The farmers would then be more satisfied than they are now.

That is why we have claimed for a good many years and we still claim that the province should control credit so that it can look after its farm and labour problems, in any field for that matter, because the farmer is more at home with the government of his province than with the Canadian government. Ottawa is far from home; his provincial capital is nearer.

That is why, Mr. Speaker, we urge upon the provincial governments, the one in Quebec as well as the others, to make representations to the federal authorities so that the taxation sources of the provinces may be given back to them and that they may have the financial means to set up for the farmers a program which would neither stifle nor crush them, but would really make them kings on Canadian farms.

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I have only a few words to say following the remarks made by the hon. member for Villeneuve (Mr. Caouette) and the Minister without Portfolio (Mr. Dupuis), as far as the number of loans made in the province of Quebec is concerned.

I have no intention whatsoever to defend the government or to attack the hon. member for Villeneuve, but I feel it is necessary to set the record straight concerning certain figures in the 1962 and 1963 reports.

First of all, in 1961, 11,126 loans amounting to $18,101,149 were granted in the province of Quebec; in 1962, 3,244 loans amounting to $5,515,926 were granted; in 1963, 2,871 loans amounting to $5,958,713 were granted. If there was a decrease it is due to the fact that in 1960 the government of the province of Quebec passed a legislative measure—before the Union Nationale lost power—allowing the provincial government to pay up to 3 per cent of the interest on the loans granted by banks and caisses populaires for the purchase of machinery or for the improvement of farms in the province.

That legislation enabled the farmer to borrow up to $4,000 for the purchase of machinery, farm improvement, the construction of buildings, etc., and up to $3,000 for the purchase of livestock. This means that the Quebec farmer availed himself to the maximum of the farm improvement legislation till 1961. Then he somewhat broke away from it to borrow from banks and caisses populaires through the provincial act, because with the latter he could avail himself of a subsidy of 3 per cent granted by the provincial government, so that he had only 3 per cent interest to pay on loans secured under the provincial act.

Mr. Caouette: Would the hon. member for Nicolet-Yamaska allow a question?

Mr. Vincent: Certainly.

Mr. Caouette: I wish to ask the hon. member if he is aware of the number of farm loans granted by a caisse populaire or a bank in the province of Quebec.

Mr. Vincent: Mr. Speaker, I am not aware of the number of loans granted by the caisses populaires or the banks, but I do know that the caisses populaires granted so many loans that there came a time when they had to stop granting those loans because available funds were rapidly decreasing.

In that connection, I wish to point out that hon. members from the other provinces must not believe that there was any discrimination against the Quebec farmers with regard to that legislation. They took full advantage of it until 1960 to improve their farms and their operations. But after 1960, that is in 1961 and 1962, they found it advisable to take advantage of the provincial legislation to get

the 3 per cent grant from the provincial government.

I repeat it, Mr. Speaker, no one must get the impression that there was any discrimination against the Quebec farmers. The only reason why the number of loans decreased is the one I just gave.

But with the amendment which the federal government is presenting today, increasing the maximum from $7,500 to $15,000, the number of loans will probably increase, because the maximum now allowed by the Quebec legislation is $7,000, that is $4,000 for the improvement or purchase of farm implements and $3,000 for the purchase of livestock, which is not enough for a farmer with a large operation.

Just the same, I wish to point out that I think this legislation should have been presented to us several months ago, because if I am not mistaken—I speak from memory—that resolution has been on the order paper since July 11. Several farmers became interested in it and asked members on the government side as well as members in the opposition to put pressure on the Minister of Agriculture so that this bill could be discussed as soon as possible. I think, Mr. Speaker, that within a few days, this legislation will be passed, but before it has gone through all stages, it surely will be too late, in certain areas, to take full advantage of it. Indeed, by the end of September or by October, farmers will not be as interested as they were in July or August to purchase some machinery they need, or to carry out some improvement on their farm. It is on that point that I wish to criticize the government for not having introduced this legislation sooner. We are going to accept it readily, but it is most unfortunate that they had to wait until now to bring it before the house.

Also I take this opportunity to tell the government that since they took office the only legislation they brought forward in the field of agriculture were amendments to existing legislation. I appreciate that amendments had to be made to those measures, but that is not what the farmer wants nowadays. He is asking for completely new legislation that will improve the lot of farmers in eastern Canada and more particularly, as far as I am concerned, the lot of farmers in the province of Quebec.

To conclude, I wish to say this: all these amendments, even if they are satisfactory, could not be compared to legislation which could be passed to assist the eastern farmers. I refer to legislation concerning the dairy industry, because it is the basic industry of farming in eastern Canada just as wheat growing is the basic income of western farmers.

We are able to pass practical legislation for the farmers. I should like the government to refer to the remarks made in this house by the hon. member for Qu'Appelle (Mr. Hamilton) and by myself on July 10 last, because if the government really wants to help the eastern farmer, who is now in need of help, it will have to consider the field of dairy farming in order to introduce new legislation. I am sure that this would solve the existing problem and thus, really help the eastern farmers.

[*Text*]

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, as a member for an important agricultural area of western Canada it gives me great pleasure this afternoon to make a few comments during this debate about this proposed amendment to the Farm Improvement Loans Act. I was disappointed that this piece of legislation was not introduced prior to the legislation dealing with the Farm Credit Corporation because, as was mentioned I believe by the hon. member for Rosthern (Mr. Nasserden), a lot of beneficial effects have been lost for this particular year. However I am very pleased to see at last that the Minister of Agriculture (Mr. Hays) has introduced another piece of legislation which will help to bolster the agricultural economy.

Mr. Speaker, this piecemeal policy in respect of agricultural legislation, to which we have been exposed by this government, is a far cry from the policy laid down by the right hon. leader of Her Majesty's loyal opposition (Mr. Diefenbaker), when he was prime minister, and in the statement he made I believe in August, 1958, when he laid down a comprehensive national agricultural policy including various measures such as the crop insurance Agricultural Stabilization Act, farm credit, water conservation, amendments to the Seeds Act, human slaughter of animals, and other measures dealing with a multitude of problems facing the agricultural industry. Today we find we are dealing with only the second piece of legislation introduced by this government in respect of the agricultural economy.

Mr. Speaker, today I think my remarks could be related to a statement made by the Canadian Federation of Agriculture in a presentation made to the Prime Minister of Canada (Mr. Pearson) under date of February 26, 1964. As you will realize, the Canadian

Federation of Agriculture represents and speaks for something in the neighbourhood of 500,000 Canadian farmers. That federation presented its brief last February and I should like to read several excerpts dealing with the subject of farm credits. Stated in this brief is the following:

> The federation, at the federal-provincial agricultural conference in December of last year, made a number of submissions on farm credit to the government, urging in general much more intensive attention to farm credit needs, and the development of new programs.

I will not repeat these representations here in full, Mr. Speaker, but in the resolutions delegates to the annual meeting laid special emphasis on three immediate needs which I should like to draw to the attention of the house at this time. Those needs are stated in this brief as follows:

> First, they reiterated our long standing request for special disaster loan legislation.

This matter is now under study by the Farm Credit Corporation, and the federation is looking forward to early action in this regard.

The brief then goes on to state:

> No interest should be charged for the first year at least, and very low interest for an appropriate period, perhaps five years.
>
> Second, the loan limit of the Farm Credit Corporation should be raised to $50,000.

Of course, the house has dealt with that matter and as we are aware, this has been increased to a maximum of $55,000.

The third suggestion in this brief dealing with farm credit relates to the discussion we are having this afternoon, and states:

> Third, the loan limit on farm machinery under the Farm Improvement Loans Act should be raised to $10,000—

Mr. Speaker, this point was dealt with a few moments ago by my illustrious colleague, the hon. member for Nicolet-Yamaska (Mr. Vincent), and I think his point was very well taken.

This section of the federation's brief in respect of farm credit concludes as follows:

> May we repeat that we feel well-developed, flexible credit services to meet farm needs are of utmost importance and deserve more intensive investigation and research than they have received in the past.

Earlier this afternoon the hon. member for Jasper-Edson (Mr. Horner) made a very valid point when dealing with policy, as far as the application of these loans is concerned. I should like to refer to the annual report of the Farm Improvement Loans Act for 1963. Perhaps I should tell the minister that I am pleased this report was forthcoming. Yesterday when I was looking up some information in respect of this subject I had to refer to the 1962 report, and wondered at the time why there was a laxity in that the 1963 report was not available. We are happy to have received it this afternoon, even though the debate has been under way for some time.

Under the heading "Review of lending operations since inception" this annual report states:

> The average size of loans has increased from $784 in 1945 to $1,757 in 1963.

It is interesting to note at the outset that $784 is a very low average, although perhaps it is compatible with the year 1945, and the fact that this was new legislation at that time. However, 19 years later we find that the average size of loans has only increased to $1,757. The comparable figure for 1962 is $1,626. In other words during that year the average loan has only increased approximately $125.

I should now like to refer to the point emphasized by the hon. member for Jasper-Edson. Apparently the lending institutions are taking too tough an attitude in their consideration of applications that come to them, because in looking at the 1963 report in respect of loans made under this legislation we find that they continue to be low. The report goes on to state:

> The total amount of all claims paid to the banks under the guarantee represents about one tenth of 1 per cent of the total amount of loans made to date.

I believe that is a remarkable record and indicates that the government has not incurred any great loss in respect of loans made under this legislation. The government has incurred only a minimum loss. A total of $207,622 has been recovered on claims paid as of 1963, including $39,421 which was collected in 1963.

I think the banks should be more flexible and tolerant in their consideration of these applications. I notice this statement at the end of the report in reference to bank loans:

> The banks continue to extend their co-operation in the implementation of the Farm Improvement Loans Act. Rural branch banks have established many outstanding lending records in various agricultural areas across Canada. Several individual branch banks, for instance, have made farm improvement loans under this act in excess of $4,500,000. Operations under this legislation have, however, not been confined to rural banks. Farm improvement loans are made by a number of branch banks in smaller cities.

I should like to emphasize the last expression by repeating it: "—a number of branch

banks in smaller cities". I presume they mean that a number of these banks have established good lending records. I do not think that in itself is good enough. The banks of this country have an enviable record, of which we are proud, and they play a very important part in the successful economy of the agricultural industry as a whole. These leading institutions have a definite responsibility under this act to see that there is no discrepancy or variation in policy between one bank and another, and between one area and another. There should be laid down a general policy so that all banks many establish good records in this lending field, rather than just a few. I should like to emphasize the fact, referred to so aptly by the hon. member for Jasper-Edson, that there has been something wrong in the operation of this legislation, in view of the fact that we are today considering an amendment to increase maximum loans to $15,000. Yet, as I say, in looking at the figures we find that the average loan is only $1,757, so the act is not doing the job that we as legislators intended it to do. I think that the Minister of Finance (Mr. Gordon) and the Minister of Agriculture (Mr. Hays) have to take this matter under serious consideration and encourage the lending institutions to take a much more tolerant attitude toward the needs of the agricultural industry.

I was going to go into a more extensive review of the lending operations but this has been done very adequately by previous speakers. In my opinion the hon. member for Brome-Missisquoi (Mr. Grafftey) gave a very forthright review of the need for credit in the province of Quebec, and other speakers this afternoon also dealt with credit needs. Personally I am very much in favour, and I think the agricultural industry in general is too, of the legislation that has been introduced into the house today to make more money available through increasing the limit on loans and also increasing the amount of money available for lending. The necessity was impressed on me as a member of the standing committee on agriculture both two and three years ago when we were inquiring into the cost of farm machinery and were considering how farm credit affected the agricultural industry as a whole.

In the evidence presented to the committee something came out that I thought was very pertinent and important to the committee and the agricultural industry in general. Evidence was given that a great number of farmers who were purchasing machinery on credit were getting credit through subsidiary loan companies established by the farm machinery companies. In other words, in order to promote the sale of farm machinery on a credit basis the machinery companies were providing credit facilities and credit was not being secured by these farmers under the Farm Credit Act or the Farm Improvement Loans Act. When we inquired into the reason for this situation we were alarmed to find that in many cases farmers were paying from 11 to 13 per cent for the use of money in order to buy farm machinery to equip their farms properly.

To my mind this was a very significant fact and I believe I made the comment at that time that we should look immediately at the farm credit situation so far as farm improvement loans were concerned, and increase the amount of money available for the purchase of farm machinery which money, as hon. members know, is made available at an interest rate of 5 per cent. The interest rate of 5 per cent is in effect over the four year period, which is the period for which the farmer borrows money under the Farm Improvement Loans Act in order to purchase machinery. The difference between an interest rate of 5 per cent and a rate of 11 to 13 per cent that many farmers were paying to the subsidiaries of machinery companies would mean a vast saving.

I wish to emphasize again that the banks must take a more flexible and tolerant view of applications. I also emphasize that we are pleased that this legislation has been brought before the house. I trust it will be passed as soon as possible so that the money will be available to our farmers who need it so badly.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the house is well aware the Minister of Finance (Mr. Gordon) is charged with the responsibility of presenting this particular bill to the house, and in the circumstances perhaps I may be allowed to answer very briefly several of the questions that have been raised. I might add that I have listened with great interest to a series of excellent speeches that have probed into the very heart of the agricultural problem. However the house will appreciate that the bill deals only with one aspect, namely farm credit.

The hon. member for Jasper-Edson (Mr. Horner) wanted to know whether the banks are co-operating with farmers who apply for loans. This question was also raised by the hon. member for Moose Mountain (Mr. Southam). The only answer I can give, of

course, is to be found in the report itself, which shows that the number of loans has increased steadily over the years, that the size of loans has increased and that the aggregate principal amount of money for guaranteed loans in the present lending period will have to be increased from $400 million to $500 million. I respectfully suggest that this is powerful evidence that there has been a good measure of co-operation between bank managers and farmers, although I am the first to admit that there may be isolated cases in which this co-operation has not been forthcoming.

I am indebted to the hon. member for Nicolet-Yamaska (Mr. Vincent) for the very lucid answer he gave to the hon. member for Villeneuve (Mr. Caouette) regarding the discrepancy between the amount of loans being made in the province of Quebec and the amount in other provinces. I just wish to say to hon. members from Quebec that, as was pointed out by the hon. member for Nicolet-Yamaska, there is no discrimination against the farmers of that province.

One of my colleagues made reference to the fact that some of the merits of the act have been detracted from by the fact that there have been improper farm valuations. With great respect I say to my colleague that I do not think this criticism applies to the Farm Improvement Loans Act, although it may be a valid criticism so far as the Farm Credit Act is concerned. As I did not detect any note of hostility toward the bill now before us I think I should conclude my remarks and respectfully anticipate speedy passage in the committee stage.

Motion agreed to, bill read the second time, considered in committee and reported.

Mr. Deputy Speaker: When shall the bill be read the third time?

Some hon. Members: Now.

Mr. Knowles: By leave.

Mr. Hays (for Mr. Gordon) moved the third reading of the bill.

Motion agreed to and bill read the third time and passed.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

Hon. Harry W. Hays (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the extension of credit to farm machinery syndicates for the purchase of farm machinery and for the terms and conditions of such loans, the amount of a loan not to exceed 80 per cent of the actual price to the farm machinery syndicate of the farm machinery to be purchased with the loan; and to provide also for the establishment in the consolidated revenue fund of a special account not to exceed $25,000,000 to which shall be charged advances made to the Farm Credit Corporation and to which shall be credited all moneys paid to the Receiver General by the corporation and for other financial provisions in relation to the said fund in connection with the administration of the measure.

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

Mr. Hays: Mr. Speaker, the resolution before us for consideration today proposes a type of farm credit which is fundamentally different from all previous credit programs in Canada. We are all aware of the rapid developments that have taken place in agriculture in the past 20 years, and in particular the developments with regard to the types of farm machinery and equipment available for use on our farms today. We know the value of this machinery to the farmers, both in its ability to save manual labour and in its ability to provide the farmer with the timeliness of operation which is so essential to successful agricultural production. Unfortunately we are all also aware of the high cost of a full line of equipment on a farm today.

When a farmer purchases a modern farm implement he very frequently finds that if he purchases an efficient machine it is able to handle considerably more work than he has for it. He may pay the cost, and sometimes a rather high cost, of a machine which he may use only a limited period during the year, and the capital represented by the machine, which could be used to good advantage for other purposes, must remain idle for long periods. It thus becomes a very expensive machine for him to own unless he expands his farm operations greatly. Probably more than any other single factor, the increased cost of modern farm machinery has made it difficult for the small farmer to make his way and earn a reasonable living under today's conditions.

One of the ways in which farmers can reduce their machinery costs is by sharing equipment with their neighbours, either by sharing in the ownership and use of equipment or by obtaining it on a custom or rental basis for the period of time required. Co-operative use of farm machinery is not new.

Many farmers presently share the ownership of individual machines or have work done on a custom basis. It is highly desirable, however, that facilities be provided to enable farmers to organize groups for this purpose on a formal basis and to provide the credit facilities necessary for such groups to procure machinery for the joint use of their members.

The proposed measure will provide for the establishment of a revolving fund of $25 million to be administered by the Farm Credit Corporation. The farm machinery syndicates set up under the provisions of this measure will be able to borrow up to 80 per cent of the cost of the machinery they wish to buy. In this way three or more farmers, each of whom might find it difficult to buy all the machinery they require to operate their farms individually, may join together in a syndicate to buy items of machinery of sufficient capacity to do the work of all members. Furthermore, the farm machinery syndicates will be able to make the machinery which they have purchased available for use by other farmers on a rental or custom basis. In this way farmers who are not members of farm machinery syndicates may still obtain benefit from the proposed measure because of the availability of machinery from such syndicate for use on their farms.

Adequate credit facilities are an important need of Canadian agriculture. We now have the Farm Credit Act to provide long term mortgage credit for the establishment of economic farm units. We have the Farm Improvement Loans Act to provide operating credit for individual farmers. Both of these have been, or are in the course of being, amended at this session to increase their usefulness to farmers. As I stated during the debate on the bill to amend the Farm Credit Act, we have set up an interdepartmental committee to keep the credit needs of farmers under continuing review. The present measure will in my opinion provide an additional and valuable supplement to the present farm credit facilities, and will make a substantial contribution to the welfare of Canadian agriculture.

This is the thought behind the bill which introduces the farm machinery credit act. If we can adopt the resolution, Mr. Chairman, then we could present the bill which certainly covers the proposal in a great deal more detail.

Mr. Hamilton: Mr. Chairman, there does not appear to be too much time available in which to put forward any particular ideas before six o'clock. I shall therefore content myself by saying that one of the tremendous unsolved problems of the agriculture industry has been rising costs in general and those of machinery in particular. I was planning to put on the record some of the figures that bear out this statement, and then go on to discuss the principle of this particular measure to see how far it moves into the field of meeting this problem. I should like to keep my remarks coherent, so I shall deal with that part of them after the dinner recess.

I should like to point out to the committee that on several occasions in the last 30 years governments have sought to find some answer to the rising costs of machinery. I think all of us recognize that the agriculture revolution during the last 30 or 40 years has been sparked by the mechanization of our farms. I think it is fair to say, generally speaking, that this mechanization hit the prairies first, because they seem to lend themselves to the rapid change-over to mechanization. I think it is recognized also that the move toward mechanization in the twenties was checked by the depression and the war. Since about 1945, western Canada has demonstrated the tremendous willingness of the farm people to risk their future livelihood by borrowing money and by translating this money into modern farm machinery, not only to increase their productivity but to lower the per unit cost of production. The same trend has now become apparent in the central provinces, and I think it will soon spread to all parts of Canada.

May I call it six o'clock, Mr. Chairman?

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hamilton: Mr. Chairman, when I adjourned the debate at six o'clock I was outlining briefly the characteristic that has been most outstanding in agriculture during the last 40 years, namely the use of machinery in the agricultural revolution that has taken place in our country as well as in others. This machinery that I have been talking about as the main ingredient of the agricultural revolution has been very costly, and to date the farmers of Canada have poured over $10 billion into farm investment to try and make their industry more efficient.

To deal more precisely with the resolution under discussion tonight, I went back in my

reading to the several sources that are available to members of the house. One is the fact, as I said earlier, that the costs of farm machinery have exercised people in government circles for many years. I personally recall at least four farm machinery investigations into the cost of equipment, and one of them was being conducted during the period of the government preceding this one, in the standing committee on agriculture and colonization. For two years practical farmers on that committee tried to get the figures of their costs from farm machinery companies, tried to get from distribution agencies estimates of what it cost to handle this machinery with present techniques, and tried to find practical ways of reducing the cost of machinery to farmers.

Since the change of government the standing committee on agriculture and colonization has been called together, but not once has the matter of farm machinery been referred to that committee, and I gather from what the Minister of Agriculture said this afternoon that very little reading of the records of that committee was done before this resolution was introduced. Later in my remarks I shall make this point even more emphatically.

Another source of information is the royal commission appointed in Saskatchewan, called the royal commission on agriculture and rural life. I remember very distinctly in the years after the war, with the sudden rush of mechanization in western Canada and the rising price of farm machinery, that this was one of the greatest single issues facing leaders of various parties and governments in power, and the government of Saskatchewan, realizing the tremendous need for examination into the whole revolution in agriculture, set up this royal commission which sat for four years, from 1952 to 1956.

I know many hon. members have spent a great deal of time looking over the 14 volumes of that royal commission's report. Volume 2 deals with mechanization and farm costs, and even though this volume deals in generalities I think the conclusions arrived at in the royal commission's report are not only true in many parts of Canada which are just going through the revolution of the mechanical age on farms, but will also be true for many of the areas that have still to go through that revolution.

One thing that intrigued me this afternoon as I listened to the hon. member for Burnaby-Coquitlam put the finger on the federal government, urging it to tackle the problem of farm income or else his party would continually press for that action, was that these were exactly the same words as I heard him use 20 years ago. Because looking at this problem as an outsider for many years, the thing that struck me about the attitude of the C.C.F. party, now the N.D.P., is that it pointed the finger at the federal government and always held it responsible for farm income.

Generally speaking I believe that this is correct, that rightly or wrongly, the federal government has assumed responsibility over the years for farm income; but it so happens that on this question of action on farm machinery costs, which is recommended in various circles, it is usually only in the constitutional field controlled by the provinces that the definitive and final action can be taken.

It is rather interesting to look at this royal commission report of eight years ago and ask ourselves how much was done in Saskatchewan about its recommendations. I shall not go through the whole 31 conclusions; I will just deal with the recommendations at the end of the report, where the first recommendation urged reform within the farm equipment industry and distribution system as it now exists. The distribution, as it now exists at the consumer level, can only be controlled under property and civil rights by a province.

A second recommendation was that co-operative manufacturing and distribution be examined as a way out of the dilemma, and a third recommendation was nationalization of the industry. This would probably be in the field of federal power, if you are going to do it on a federal basis, but actually constitutionally the power lies only with the provinces.

Looking back over the last eight years we see there was certainly no atempt in Saskatchewan, which is the leading province so far as mechanization is concerned, to nationalize the industry. Of course it was impossible for the Saskatchewan government to do this, because if it nationalized industry in Saskatchewan it would have been called socialist. No socialist government would ever dare to be called socialist, so it shied away from that alternative.

The commission recommended co-operative manufacturing and distribution. There is, Mr. Chairman, one company in existence, C.C.I.L.—Canadian Co-operative Implements

Limited—which is set up on the basis of co-operative distribution of the products of one of the manufacturers. It is spread pretty widely through the west and has made a tremendous effort to gain the advantages of co-operative distribution in a very wide area of the country; but if you are objective in your observation of this operation you have to agree it has not been successful, and there are various reasons for that. As to the first recommendation, I think something was done on those lines in Saskatchewan under an act dealing with the distribution of farm machinery in that province. Regulations were changed and tightened up, in consequence of which I believe some 200 merchants engaged in the distributive side of the industry were squeezed out of operation; the regulations prescribed in detail what they had to do if they were to retain their licences to distribute machinery. Apart from that, very little was done in Saskatchewan. I mention this because in my opinion a solution to this problem of machinery costs will not be resolved by one government or another; there needs to be a co-operative approach by governments in both realms of jurisdiction.

I make these comments as an introduction to the general discussion of this resolution. I believe there are in this house a large number of members who have had long experience in farming. Many of them have mechanized their operations completely. Many of them know the problems of financing and the difficulty of equipping farms with modern machinery while keeping costs low enough to enable them to stay in the competitive business of agriculture today. The experience of these members represents a wealth of human resources which could be applied to this task, and from the evidence of the work of the committee on agriculture and colonization over the last few years it appears that the committee had begun to think of a full series of practical suggestions to improve the distribution of farm machinery and reduce costs. I should like to suggest at this point that the bill before us should go before the committee on agriculture so that we may have the benefit of the tremendous amount of knowledge available on the subject in this house. Admittedly, most of the members who have this experience are on the opposition side, but there are several government supporters with practical experience in mixed farming and I am sure they could use this knowledge to assist the efforts of the minister to solve this problem.

I heard only part of the minister's introductory remarks. I gather they were in line with the resolution before us. We are all wondering what the word "syndicate" means. Some of us thought immediately of Spain in the days of the anarchists when syndicalism was prominent among the social and political ideas of the day. But obviously, on reflection, this is not what the minister has in mind. The expression means some grouping of farmers. I do not suppose there is anything in farming which is harder than persuading farmers to work together. In my personal experience even men who have fought side by side during the war as comrades on the field of battle, and who returned to farming after the war was over, found such co-operation impossible to achieve. With that sort of background one would think they could work together and utilize the same machinery. Yet those same men who served as friends during the greatest of difficulties fell into hostility and enmity when they had to make joint use of farm machinery. In the early days, the trouble arose largely over the use of separators. Farmers would get together and buy a separator. Then, under the pressure of fall weather, the fights which occurred, in many cases between friends of long standing, made them enemies for life. This same difficulty has marked shared farming operations in all parts of Canada. The only time such programs seem to work is when those engaged in them are connected by a blood relationship or when the partners are unusually congenial. After all, it is hard for a man, when his whole year's wages depend on a successful harvest operation, to wait his turn under a pooling arrangement.

This is a difficulty which we must expect. To refer to the situation in Saskatchewan once again, a serious and sincere effort was made after the war on the part of many people to set up a co-operative type of farming. The failures, which were legion, almost always came down to this question of people getting along together. Success was encountered only when those concerned were of a congenial nature, accepting the leadership of whomever they had appointed or elected. No government should be condemned on account of this human frailty. It is a fact which has to be faced when we are considering what is likely to happen in connection with this legislation.

I, for one, intend to support this measure. I do so because I do not think there is any problem which is more vexatious on the cost side of agriculture today than is the cost of machinery. So I think the effort we find here should be supported. I have warned the

house about the difficulty likely to be encountered when a group of farmers is brought together. I hope farmers will accept the logic of the situation—that the use of one set of machinery for a certain operation spread over five farms is more economic than the possession by each of the five farmers of his own equipment. I will submit a corollary to the point I have made about the difficulty of getting people to co-operate. It seems we must accept the fact that certain farming operations must necessarily be carried on when the weather is right. Then we should accept the principle that in relation to these operations a farmer must have his own machinery, his individual possession. If we accept this, then I believe we would make a step toward wisdom by letting him have it, even though logic says farmers would be better off if they pooled their operation. The operation I have in mind is, primarily, harvesting, though my remarks apply also to certain types of seeding and cultivation equipment. However, there a number of operations, particularly in mixed farming on modern farms which lend themselves to some form of co-operation, especially those which can be carried out over a period of time without any loss in return to the farmers concerned. One example which occurs to me is machinery for clearing out cattle corrals; this is applicable to the west generally, and it is increasingly applicable to eastern areas. Another example is machinery for removing manure piles and distributing them over the fields. This is another job which can be done over an extended period of the year, and it can be done more efficiently by a group which comes in to carry out this particular task than by the farmer himself who is often occupied doing other jobs at a busy time of the year. It does not matter whether it is done in May, June, July or August and it is obviously unwise to have this equipment on only one farm if several farms can share it.

There is another type of operation which comes into this category. It may not be so common in eastern areas but I do know that it is of importance in the Red River valley of Manitoba, namely the harvesting of corn and sunflowers. This is an operation which can be carried out over a period of several weeks without any prejudice to the farmer either as to quantity or quality, and it seems sensible that there should be pooled machinery in connection with it. I could outline half a dozen such operations where pooled operations would not only be wise in themselves but where they would not conflict with the element of human nature which has, in the past, upset so many efforts toward co-operation.

I put this corollary forward because I am trying to demonstrate as best I can that there are arguments in favour of this type of approach. I am also warning the minister and his officials that they can expect trouble with many forms of co-operation in those fields of activity on the farm where everything has to be done at the same time on every farm.

I would like now, if I may, to just put on the record the size of the problem, using figures taken from the d.b.s. handbook. The figures I am going to use are based on the eight-year period from 1954 to 1961. I think they will demonstrate that in this race to get the increased income about which the hon. member for Burnaby-Coquitlam was speaking we are barely holding our own, and in some parts of the country we are actually losing ground. I give these figures under two main headings. The first heading is "Realized gross income" and the second is "Operating and depreciation costs".

Any person knowledgeable in farm economics will know that these figures do not include the interest on the land value and the labour of the man working on the land. Let me put these figures on the record to show the house how the race between income and costs is going in Canada. These are national figures and they do not tell the story in regions. I will attempt to clarify that later. In the year 1954 the realized gross income of farmers across Canada was $2.7 billion; the costs were $1.6 billion. I am taking these amounts to the nearest round figure. In 1955 the income was $2.7 billion, and the costs had risen to $1.6 billion plus. In 1956 the income had risen to $2.9 billion plus, and costs had risen to $1.7 billion. In 1957 income was still at $2.9 billion, and the costs were still at $1.7 billion. In 1958 the income jumped rather drastically to $3.1 billion, and the costs had risen to $1.8 billion. In 1959 the income had gone to $3.1 billion plus, and costs had gone to $1.8 billion. In 1960 income had climbed to $3.2 billion, and costs to $1.9 billion. In 1961 income had risen to $3.3 billion, and costs to $2 billion.

These figures show that in the last eight years there has been a rise of 22 per cent in farm income; but the costs during that period have risen 27 per cent. If you take the figures for 1962 and 1963 which are available, you will find this trend has continued. So as a nation, Mr. Chairman, the costs are rising at a greater percentage than the income.

Farm Machinery

When you break it down into farm income per farm—because it must be remembered that not only has farm income been going down and costs have been going up, but the number of farmers has decreased—you get a more accurate picture. In the period 1954 to 1957 the realized gross income, as an average all across Canada, was $4,891 per farm. The operating costs of the average farm in that period were $2,883, leaving a net realized income of $2,008. In the years 1958-1961 the income for those four years was $5,964 per farm; but costs had gone up to $3,514 per farm, leaving a net income of $2,450. If I may do the arithmetic for hon. members, comparing the period 1958-1961 with the four preceding years, farm income had gone up $1,073, costs had gone up $631, and the increase in net income per farm was $443.

Therefore, I think in all fairness we can say that if the federal government is responsible for farm income, there was some betterment of the position; not as much as we would have liked, but at least we reversed the trend that had been there in that first period after the war. So we can say that for each one of those four years the increase in net income, after costs had been taken off, for the average farmer across Canada, was $443 better each year than it had been in the preceding four years. I translated those figures into income per farm to give the real picture and to point out to the committee, and I hope to the country, that progress has been made in meeting this question of farm income. I have given the figures of rising costs to indicate that the battle is still going on and percentagewise the costs are rising, as a nation, faster than the income. If this trend were to continue indefinitely, eventually the net income increase would slow down again and we would be in serious trouble.

When you look at the picture in areas across Canada you get a different story. I broke these figures down for the maritimes, for the same eight years. With regard to the maritimes, if you compare the years 1958-1961 with the previous four years, during those four years the average increase in income per year, per farm, was $431; but the costs went up during that same period each year by $433. By the correction of decimal places it actually works out that in each of those years the average farm in the maritimes lost out by a little better than $1 each year. So in the maritimes, when the rest of Canada was getting ahead by $443 a year income over costs, farmers actually lost $1 a year. I think this gives a very dramatic picture of why our attention should be increasingly on the farms in eastern Canada.

With regard to the province of Quebec, once again using the figures per farm, in the four years 1954-1957 the average income per farm was $3,755. It increased in the years 1958-1961 to $4,428. This was an increase of $673 per year, per farm. But the costs during that same time climbed from $2,122 per year, per farm, to $2,767, or a net increase in costs of $645. Therefore, Mr. Chairman, with regard to Quebec farms in those four years the gain of income over costs each year was only $28 per farm, compared to the national average of $443. Therefore Quebec is just barely holding its own, and no more.

With regard to Ontario the figures are a little better. In Ontario the increase per farm, per year, for those four years was $1,173. The increase in costs was $915 per year; so there was a net gain in each of those four years of $258 per farm, as compared to the national average of $443.

The figures in relation to the prairie provinces tell a very dramatic story. Comparing the four years of 1957 to 1961 with the succeeding four years their income increased very dramatically to the extent of $1,315 per farm, and the cost only went up per farm to the extent of $453, which is one of the lowest increases in the whole of Canada. This gives an increase in realized income, when you subtract costs from gross income, of $863 per year per farm. Therefore, western Canada, because it had poured these hundreds of millions of dollars into mechanization, the farmers were gaining the benefits of it, and the gains in income rose quickly over costs as compared to the rest of Canada.

To complete the picture across Canada I will give the figures for the province of British Columbia. The province of British Columbia had an increase per farm for each of those four years over the previous four years of $1,056. Costs went up $748 per farm per year giving a net increase of income of $309 for each of those years as compared to the national average, $443.

The Chairman: Order. Does the hon. member have the unanimous agreement of the committee to go beyond his allotted time?

Some hon. Members: Agreed.

Mr. Hamilton: I think I can complete my remarks in two or three minutes, Mr. Chairman.

I have put these remarks on the record with the hope that the situation, vis-à-vis

farm income increases, cost increases and realized net income, can be applied to this legislation that the minister has brought in. I am going to suggest that this is an attack on these rising costs across Canada, which are growing at about 5 per cent greater than income, or 27 per cent compared to 22 per cent. However, this is such a small step that I hope farmers across this country are not going to become too excited about what it is going to do.

I know something of the tremendous difficulties that will have to be faced to reduce farm machinery costs, which represent the largest single item of expense in the agricultural industry in Canada today. In eastern Canada of course the highest cost factor is in respect of feed grains. Generally speaking, across Canada, when one averages out the figures he will find that farm machinery represents the greatest need and the greatest single cost of operating a farm. If this legislation, small step as it may be, does even a little bit to help reduce the expense incurred by even a few farmers, I think we have no choice but to support it.

Mr. Douglas: Mr. Chairman, the resolution which is before this committee is designed to do something about the very serious problems that exist in respect of farm machinery, and how it can best be made available to farmers in view of the heavy costs which are involved. As most members realize, this question of farm machinery, and the high costs which are imposed on farmers, is something which has concerned this House of Commons and the legislatures of some of the provinces for the past 25 years. I think the first committee set up by this parliament was set up in 1937, sat through 1937 and 1938, and made a very exhaustive report to the house, in respect of which unfortunately action was never taken. Other reports have been made, one of the most exhaustive of which was made by a legislative committee of the Saskatchewan legislature. That committee made a series of recommendations, most of which were carried out in so far as they fell within provincial jurisdiction.

The hon. member for Qu'Appelle has made reference to the royal commission on rural development in Saskatchewan which sat between 1952 and 1956. He took some time to deal with those recommendations and to offer some criticism in respect of the alleged failure of the government of that province to carry out those recommendations. The hon. member seemed to be somewhat incensed about the fact that I said this afternoon that the real problem facing farmers of Canada today was the lack of farm income. He was only able to belittle this statement by saying he heard me make it 20 years ago. Of course the fact it was made 20 years ago does not destroy it today; it is still true.

As I pointed out in the figures I gave to the house this afternoon, any industry which finds the index price for the things it sells down by 44 points, and the index price for things it buys up by 66 points knows it is on its way to bankruptcy. There are parts of the agricultural economy which do not share this general situation from time to time, but the over-all picture of the agricultural industry is serious, and until we grapple with this problem of farm income we are not going to solve it, and certainly not by putting on little patches. We are playing blind man's buff with this agricultural problem.

The hon. member for Qu'Appelle dealt with some of the recommendations made by the royal commission on rural development in Saskatchewan, one of which related to nationalization of the farm implement industry and he said, that the reason this had not been done was because socialist governments never believe in socializing anything. I believe that even one as naïve as the hon. member for Qu'Appelle knows that one cannot socialize an industry unless it is within one's jurisdiction, and the farm implement industry does not happen to be located in the province of Saskatchewan. The centre of the farm implements manufacturing industry is pretty well located in central Canada, and while distribution is carried on in the province of Saskatchewan and the other prairie provinces, it would be of little value to nationalize distribution when someone else has control of manufacturing. The fact is of course that when the member said this is a field falling within the jurisdiction of the provincial government, and they alone have the power to nationalize the farm implement industry, he is talking complete nonsense. A provincial government could hardly deal with an industry which is nation-wide; but the government of Canada which has power to deal with matters which are for the general advantage of Canada, does have the power to deal with the farm implement industry. The only reason I can imagine why the hon. member for Qu'Appelle spent so much time on this question discussing what happened or did not happen in Saskatchewan is because he was trying to create a smokescreen behind which he could hide the fact that during the years he was federal minister of agriculture noth-

ing whatever was done to tackle this problem in respect of farm implement prices. As a matter of fact, a committee of the house was set up and spent I think two years studying this situation, but during at least the last two years the Conservatives were in office the committee was not called together, and the whole thing died after it had received the necessary publicity to create the impression that the Conservatives were concerned about this problem and might eventually do something about it.

Another recommendation of the royal commission on rural development was in respect of co-operative manufacturing and distribution, and the hon. member for Qu'Appelle is quite wrong when he says that was not at all successful. As a matter of fact, Canadian Co-operative Implements Limited has been very successful in its operations.

As a result of loans made to it by the three prairie governments it was able to go into the manufacture in Winnipeg of small farm implements, has been able to enter into long term agreements to buy farm machinery at very acceptable prices from one of the manufacturers in eastern Canada and one in United States; has been able to reduce the price of farm machinery to its members and has brought about very substantial savings for the farmers who make use of the co-operative implements organization. No one should rule out the co-operative manufacturing and distribution of farm machinery as one of the methods for improving the lot of the farmer, in so far as farm implements are concerned.

As a matter of fact, I hope the minister will look into this field, and if the federal government is not prepared at some time to nationalize the farm implements industry it could help by making capital available to the co-operatives so that they could expand their operations both in manufacturing and distribution. I think the competitive effect of a powerful co-operative implement manufacturing and distribution organization in Canada would go a long way toward compelling some of the farm implement companies to get their prices more in line with what they ought to be.

The hon. member for Qu'Appelle said that the Saskatchewan government had done something about distribution, but that all it had succeeded in doing was to squeeze some 200 individuals out of business. I make no apology for the kind of people who were squeezed out of business. The government took the recommendation of the royal commission and of a legislative committee and required all persons who were handling farm implements to be licensed, primarily so that they would be reliable persons who would not only sell machinery but would be prepared to service it and would be prepared to keep on hand adequate supplies of repair parts when they were needed. A farm implement agent has a responsibility to do more than just sell you a piece of machinery and then disappear into the mists. He has a responsibility to be there when the farmer needs a part for his machine, especially if he needs it in the middle of harvesting or when spring seeding is on. He needs to be able to get that part quickly. The licensing was restricted to those who were prepared not only to be financially responsible but to have adequate supplies of parts and repair facilities on hand at all times, and if they were not prepared to stand by the product that they had sold, and prepared to service it and supply parts for it, they could not have a licence.

It seems to me that instead of the hon. member for Qu'Appelle belittling this action he should be commending it, because this is what ought to be done all across Canada. This of course is not a federal responsibility. It is something over which provincial governments alone have jurisdiction. But if people are going to make a very handsome commission, as they do, out of selling farm machinery, then they have a responsibility to stand behind that machinery, to service it and to see that when people want parts for a machine those parts are available. I shall have something more to say about that later.

The other thing which the royal commission recommended, as did the legislative committee, was the setting up of co-operatives for the co-operative use of farm machinery. Again I must take issue with the hon. member for Qu'Appelle who said with regard to these co-operative farms, if I remember the phrase he used, that "failures were legion". I would be obliged if the member for Qu'Appelle would produce figures some time as to the legion that were unsuccessful.

These co-operatives fell into two classes. There were actual co-operative farms, of which I believe 27 were established and I think 26 are still in operation. In the main these farms were set up by veterans when they returned from world war II. They owned the land co-operatively, owned the equipment co-operatively and farmed as a unit. In the main they have been extremely successful. I agree with the hon. member for Qu'Appelle that the main problem is a social one rather

than an economic one. Sometimes some of the members did not get along or, more specifically, their wives did not get along, and sometimes they moved off the co-operative farm.

Mr. Teillet: They were generally successful.

Mr. Douglas: But of the less than 30 that were set up I think 26 of 27 or 28 are still operating, and operating most successfully from an economic viewpoint, and I believe from a social viewpoint as well. But the more successful experiment was the setting up of co-operatives for the co-operative use of farm machinery. Between 300 and 400 of these co-operatives were established and they are still in operation. They were particularly designed to help small farmers who found they could not operate with the old horse drawn vehicles and remain in business. Yet if they bought farm machinery their capitalization was greater than the size of their farms warranted.

Not only that, but because their farms were small they bought the smallest kind of machinery, which is the most expensive to operate. A man with a large farm who can buy diesel equipment can purchase fuel at half the price of fuel for an internal combustion tractor. These men who were buying small tractors found that their cost per unit was much higher than that of their neighbour down the road who was using diesel equipment. So these co-operatives enabled groups of farmers to come together, buy large machinery with its low cost of operation and do their farming with this machinery, with the result that none of them had too heavy an investment for the size of his farm and yet was able to get all the advantages of low cost operation.

These co-operatives for the co-operative use of farm machinery have been quite successful. They have had problems, it is true, but they have had a great deal of help from the farm management branch of the University of Saskatchewan. A very careful accounting has been kept of their costs per unit, per acre and per hour, and they have enabled several hundred smaller farmers to remain on the farm and continue operation who otherwise would have been driven off the farm, had they not been able to engage in this type of co-operative endeavour. Therefore when the hon. member for Qu'Appelle says that nothing was done about the royal commission report on rural development, I want to say that everything was done that could be done within provincial jurisdiction, including the matter of licensing, the matter of trying to improve the distribution system, co-operatives for the co-operative use of farm machinery and the co-operative farms themselves.

One other thing was done as a result of this report, which has been most useful. I refer to the setting up of the first and probably the only provincial farm machinery testing operation in Canada. Every piece of farm machinery that comes into the province is tested by a provincial agency set up for that purpose, and the machinery is graded A, B, C, and D and so on. A statement by the agricultural implement engineers accompanies the particular piece of machinery, and at the university and experimental farms it is put under all kinds of tests. A report is written as to its performance, how it stands up under certain conditions and certain strains, and all of this information is made available to the farmers and to the farm organizations. If any farmer wants to buy a piece of machinery in spite of the report, or purchase a piece of machinery that has not been graded, that is his privilege. Nobody can stop a man buying something which has not been proven and about which he knows nothing. But any farmer, before he buys a piece of machinery, can get a report on that piece of machinery. He can find out how it is graded, how it stood up under various types of farming conditions, and before he buys it he knows how it is likely to react under given conditions.

He knows also, when he is dealing with a farm implement agent in the province of Saskatchewan, that the agent must give him a warranty guaranteeing the performance which is advertised. He knows also that the implement agent, in order to retain his licence, must carry repair parts and must service the machinery which he has sold. He must stand by it or take the chance of losing his licence. I say, therefore, that far from decrying the actions which have been taken by the government of Saskatchewan with respect to these reports on farm implements, the hon. member for Qu'Appelle, as a member from Saskatchewan, ought to be taking some pride in the fact that there is no province in Canada which has done more, within the limited jurisdiction which a provincial government has, to improve the sale, distribution and servicing of farm implements.

Now, Mr. Chairman, I hope that when we get to second reading of the bill the minister will give us some further information relating to what he has in mind. I am interested in what he calls these farm implement syndicates. Are they to be co-operatives in the

true sense of the word, that is will they be organized on the basis of one member one vote? If there is a surplus, will this be distributed on some basis related to the amount of work which is done for each member, or the amount of use which each member makes of the machinery which has been purchased by the syndicate? Will joint stock companies be permitted or will these syndicates be organized entirely on a co-operative basis? I hope the minister will tell us whether or not corporation farms are going to come under this type of legislation, because corporation farms are becoming all too prevalent in some parts of Canada. Packing companies and food processing companies have set up farms on which the farmers are paid what is virtually a commission for operating them. Are they going to be able to come under this legislation, or is the legislation designed solely to provide a service for the family farm and the individual farm operator who joins with his neighbours in forming an organization for the purpose of jointly purchasing and using farm implements?

I think there is the germ of an idea here that could be useful, if what the minister has in mind is something similar to the co-operatives for the use of farm machinery. This method could be useful, particularly to the smaller farmers. If this legislation which the minister is going to bring down makes it possible for the smaller farmers to combine themselves so that they can get the advantage of the larger machinery which they cannot afford to own or operate themselves, then it will certainly help to reduce farm costs and do something toward helping get the farmer out of the cost-price squeeze. I want to suggest to the minister that I hope he is not going to accept this as a solution to the problem of farm implement prices. All the investigations which have been made by various royal commissions and parliamentary committees indicate that over the last 30 years, while the labour factor in producing farm implements has reduced on a per dollar cost basis, the amount spent in promotion and advertising has gone up; that a very great part of the excessive cost of farm machinery is due to duplication in the industry and particularly to the duplication of repair services. In every small community there are three or four implement agents, each of whom must carry a supply of repair parts. All of this costs money.

The possibility has been looked into of setting up repair depots at which repair parts for all the different makes of farm machinery would be available, rather than having three or four separate agents handling these repair parts in every community. I think the government will have to go much farther. I think the government will have to sit down with the farm organizations in Canada to see if the co-operative manufacture, co-operative distribution and co-operative servicing of farm machinery cannot be worked out, with the government assisting by way of loans to these co-operatives to enable them to set up the necessary factories or to buy out some of the existing farm implement companies. I am convinced that nothing effective will be done about reducing the price of farm machinery to farmers, that nothing effective will be done about removing the costly duplication of services in both the selling and repairing of machinery until the farmers themselves, with whatever assistance the government is prepared to give them, establish effective co-operatives for this purpose. While I hope this measure the minister is introducing will be of some value, and we will know more about that when we get down to examining the legislation, I trust he will not consider this first, faltering step to be a solution to the problem by any means.

For 30 years parliament has looked at this problem, but so far nothing really effective has been done to cope with it. I hope the minister will be prepared, in the not too distant future, to work out a dynamic, bold policy and bring it to this house. I am sure if he does he will have the wholehearted support of the organized farm movement in Canada, and I am sure he will get a good reception from the members of this house.

Mr. Olson: Mr. Chairman, the resolution that has been introduced today for the purpose of financing what has been termed farm machinery syndicates is certainly a new departure in the provision of farm credit. It is not my intention to embark on a general discussion of agriculture or its credit requirements. Furthermore I do not intend to deal at length with the submissions made by the hon. member for Qu'Appelle and the hon. member for Burnaby-Coquitlam, but I do wish to deal briefly with the remarks made by the minister earlier today.

I was very disappointed at the very brief explanation he gave respecting the application of details envisaged in this measure. I hope he does not misunderstand me; I do not criticize him for being brief, but he ought to be criticized for introducing what could prove to be a very important piece of legislation, what I have already described as a new de-

parture in farm credit, and then failing to give us any of the details of the mechanics of its operation. The only alternative left is to wait until we get the bill and make a detailed examination of it at that time.

The sharing of equipment with others is a well established practice in western Canada. The minister says the intention is to set up a $25 million revolving fund to provide the capital required by the provisions of the bill which this resolution precedes. He also mentioned that it is intended to provide up to 80 per cent of the cost of the machinery purchased by the syndicates that will be established, and one of the obvious deficiencies in the minister's explanation was what he meant by a syndicate.

We have no idea what the requisite terms will be for the incorporation of these syndicates. The minister said they would include three or more farmers; but when we are dealing with legislation to provide a maximum of $75,000 to each syndicate we have a responsibility to protect the public purse in respect of that which is guaranteed by it, in other words to see that we have a reasonable level of security for this extension of credit.

If I may digress for a moment, the minister mentioned the establishment of an interdepartmental board of review for farm credit. We are entitled to a more detailed explanation of this board's functions, of what matters will be referred to it, of what is intended to be reviewed, whether it is the whole field of farm credit, including the Farm Credit Corporation, the Farm Improvement Loans Act, this measure when it becomes law, and whether it will also take into consideration other sources of credit for agriculture available from provincial governments and private concerns?

To return to the resolution, it is fair to say that the sharing of equipment has some historic credence in Canada. I remember many years ago when one, two or three threshing machines took care of the threshing for a whole community. Generally speaking, one tractor and threshing machine were able to look after the needs of 10 to 15 farmers, so it is not a new concept that one piece of equipment will do certain operations for more than one farmer.

When agricultural land was first being settled in the west it was also a rather common practice for large, steam powered breaking equipment to go around communities and do a lot of custom work. Such a piece of equipment was far too heavy and expensive for an individual settler to buy, and in many cases there was almost what one might call a co-operative purchase of such machinery. Also in the case of smaller pieces of equipment, such as crushing and grinding equipment for preparing livestock feed, which was used only a few days a month, or in some cases a few days a week, it was not uncommon for a few farmers to co-operate in the purchase of that equipment.

Mention was made this evening about the possibility of this measure interfering with what is commonly known in the west as custom work, done by those people who make a business of doing work such as seeding or harvesting for so much per acre or so much per hour. I do not believe this legislation ought to be intended to provide credit facilities that would interfere with such a valid, useful and legitimate business.

There is a much more important matter that needs attention, the matter that has been referred to by every previous speaker. It is the matter of equipment costs, and in this connection I am talking about the whole operation of farms in Canada today. Earlier this session we were told by the Minister of Agriculture, and other people also have similar statistics, that in western Canada equipment costs including acquisition, repair and depreciation amount to about 50 per cent of the total operating costs of farming operations in the three western provinces. We should direct our attention to this matter and do something about these tremendous costs of equipment.

We should also bear in mind, so far as custom work is concerned, that finding operators is often as difficult as finding machines at the busy season of the year, and that custom work operators usually have experienced operators who are willing to move on from operation to operation at harvest time.

I do not intend to speak at length this evening, but I wish to say there are several categories of equipment that could usefully be purchased by several farmers, such as heavy trucks used by livestock farmers and grain farmers. For that matter, there are other types of farming operations in western Canada which from time to time require the use of heavy trucks. Trucks are required in the spring for brief periods for hauling seed to be cleaned, ready for planting. They are required at harvest time. They are required to carry stock to market, and so on. But I think it is correct to say that most of these heavy trucks are standing idle in farmers' yards more than 90 per cent of the time. This is

one piece of equipment which is very important when you need it. But a farmer does not need it for very long. Thus it seems to me it is a piece of equipment which could properly be purchased under the terms of the bill before us, in spite of the fact that a motor truck is not confined to the category of farm equipment. The minister has not yet indicated whether or not the measure will be limited so as to apply only to certain specific pieces of equipment, but I hope that if this is the case motor trucks will be included in the list.

Perhaps the next most expensive pieces of equipment used on the farms of western Canada—indeed, in some cases they are the most expensive—are grain combines. However there is a problem here, because most of the grain within a community ripens at the same time and some arrangement would have to be worked out among members of a syndicate as to whose crop should be harvested first. Most members from western Canada who are experienced with the problems caused by wet weather at harvest time realize there is always a possibility of differences arising between the members of a syndicate in this regard. I would point out that in the southern region of Alberta this fall, the harvest is already 45 per cent to 50 per cent complete as far as threshing is concerned; a lesser amount as one moves north. If farmers had the services of a heavy combine for a matter of a week it could, on occasion, gather up a grain harvest sufficient to pay for its cost. A few weeks of inclement weather might mean the loss of a whole crop. This would be the problem, though I do not think it is insurmountable: Who would use this equipment first, when weather conditions permit it to be used?

Heavy tillage machinery is another item which no doubt will be considered. In this case, as compared with harvesting, timing is not so delicate and the deterioration or loss of value if the operation cannot be carried out at a particular moment is not so important. Then there are types of equipment designed to handle specialized crops. I think of equipment for harvesting sugar beets, for example. Anyway, if there is to be a specified list of the machinery which can be purchased under this measure I think we are justified in asking the minister to provide such a list. Moreover, he should be willing to accept suggestions for additions. In my own riding and, indeed, throughout southern Alberta there is a need today for a very heavy piece of equipment which could break the prairie, prepare a seed bed and actually seed tame grass in some of the submarginal land. I do not know whether such a machine is in existence, but it would necessarily have to be a very heavy and costly piece of equipment. One farmer would not have any use for it over an extended period of time; he might want to prepare a few acres of land each year to ensure correct grazing rotation. I bring this up as an example; there are many other specialized pieces of equipment required in connection with other farming operations in various parts of Canada.

In closing, I wish to ask a number of specific questions which I hope the minister will answer, either when he closes this debate on the resolution or when the bill comes up for second reading. First I should like to know what will be the requirements facing these corporations or syndicates. There is clearly some need to protect the guarantees which are to be made by the public purse; a need to see that the machinery will be maintained so that the undepreciated value will always be higher than the unpaid balance of the credit, as well as to make sure that there is some continuity of the syndicate after the money has been expended. Then I should like to know, as I have already indicated, whether the eligible equipment is to be specified. I have already dealt with that point. The third question I should like to ask is this: What are the anticipated terms of repayment? Will the arrangement follow the lines of the Farm Improvement Loans Act or of the administrative provisions applied by the Farm Credit Corporation, with extended terms? Or will there be a variable schedule of repayments to match the estimated depreciation of the machine or machines which have been purchased?

There is another question which I am sure the members of these syndicates will be asking. What security, what personal guarantees will be required from the farmers who form themselves into these groups? This was not dealt with by the minister in his opening observations today. If we could have answers to the questions I have raised I believe we would be in a far better position to discuss intelligently some of the practical applications of this measure as it moves to its further stages.

[*Translation*]

Mr. Vincent: Mr. Chairman, I would like to put a question to the hon. member who just yielded the floor.

Can he tell us where he has taken his figures, when he mentioned the $75,000 maximum?

All day, I have listened to speeches delivered either by the Minister of Agriculture (Mr. Hays), or by members, and I have not heard of any maximum for such loans.

[*Text*]

Is there a special pipeline between the government and the hon. member?

Mr. Olson: I did not hear the last part of the question.

Mr. Vincent: Is there a special pipeline through which the hon. member receives information from the government, and which we could tap?

Mr. Olson: I think there were some suggestions in the press during the past weeks mentioning the figure I put forward as a maximum. With regard to the comment about a pipeline, I should like to tell the hon. member that I have enjoyed very good co-operation from the members of the present government as I did from members of the government when his party was in office about a year and a half ago.

[*Translation*]

Mr. Rondeau: Mr. Chairman, my turn has come to make some remarks about the resolution now before us.

The hon. members who spoke before me talked mostly about their respective riding or province; we heard mostly about the western provinces and the usefulness of that resolution for the prairie farmers.

That resolution is meant, as explained by a number of hon. members, to allow some groups of farmers to get together in order to be able, on behalf of their group, to purchase machinery under the new loans which will be granted when the bill which will follow this resolution has been adopted.

However, in the remarks he made this afternoon, the Minister of Agriculture did not say anything which could lead us to believe that in the near future the price of farm machinery would decrease thanks to grants from the federal government or a tax cut, for instance the repeal of the 11 per cent tax which has also affected in its own way the price of farm machinery.

Nothing was said about reducing the cost of farm machinery. But, I recall that in 1949 or 1950, a farmer had to pay from $1,800 to $2,000 for a new tractor, with all the necessary farming attachments. Today, we would pay between $5,000 and $6,000 for such a tractor. It means that the cost of that equipment increased by 300 per cent over the past 15 years.

However, as I have just mentioned, nothing in the act, as it now stands, suggests that the price of farm machinery sold to farmers will be lowered. Instead of lowering prices, we want the farmers, who have to suffer the consequences, to get organized, to form a syndicate or a group of three to buy what one man could afford 15 years ago.

Mr. Chairman, before I took the floor, some hon. members have discussed the practical effects which this resolution will have in their respective riding or province.

We realize, on examining this resolution, that its object was commendable and that those who have prepared it or are encouraging it are surely well intentioned.

But let us look at it in a practical way. It may be practical in some provinces, I have no doubt about that and I am not discussing that point. But as far as agriculture in eastern Canada is concerned, when we come to think of the type of machinery which the farmers will be able to buy through co-operatives under the existing legislation, we realize that this legislation will be almost unworkable in that part of Canada.

Farmers cannot get together to buy a milking machine, for instance, because if they did, they would have to milk their cows at different hours. Perhaps they could manage it but it would go against the cows' nature.

Farmers will not be able to agree either on the purchase of a litter carrier through a syndicate because such a machine is a fixture in the building and therefore, cannot be lent to other farmers.

There are also the hay balers for the storage of hay. Everyone knows, especially in the province of Quebec, that our farmers have been the victims of bad weather for the past few years. When the weather is nice for a few days all the farmers are in a hurry to use their machines to store their hay on time. Consequently, farmers could not get together under this legislation to purchase a single hay baler.

Now, if four or five farmers take advantage of this bill to buy a piece of machinery they will be joint owners and there will be trouble when the time comes to use the machine. On the other hand, when a farmer is the sole owner of a machine he is independent and works when it is convenient; he can make

arrangements with his client as to the day on which he will go and work for him on his farm.

I am looking at the practical side of this legislation. I see that the Minister of Agriculture is laughing. Perhaps it is practical for western Canada to have a combine for five or six farmers, but in the east of the country I certainly cannot see the practical aspect of this measure. I do not deny the good intentions of the minister, but I look forward to reading the bill to be able to say what will be the practical aspect of the proposed legislation.

Can people organize a syndicate in order to buy a tractor? It is impossible. Nowadays a tractor is used daily on our farms. People certainly cannot organize a syndicate to buy one.

Let us analyse our farm situation and see which farm implements we need. The minister should analyse the situation in order to know if it is possible, from the practical viewpoint, to apply such legislation.

I do not deny the good intentions of the Minister of Agriculture, but it would be much wiser and more useful if the minister would introduce as soon as possible measures likely to enable our farmers to get farm machinery at a cheaper cost, so that they might, allowing for the changing weather in the east, do their work at the convenient time.

If five or six farmers are to use the same machinery in eastern Canada, I do not see the practical aspect of such a system.

I think that those who really know the farm problems of Quebec will agree with me when I say that the aim of this resolution is a worthy one, but I am anxious to hear the Minister of Agriculture explain to us the practical side of this legislation.

And now, Mr. Chairman, we are impatiently waiting for this bill to be made available to us.

A lot was said about our farmers' prosperity which is made much of especially at election time. But if today our farmers cannot buy machinery for themselves, they will be able in the future, not because of their prosperous situation but rather because of the farm crisis, to unite to get the machinery which a few years ago each was buying to meet his own needs.

[*Text*]

Mr. Brown: Mr. Chairman, I am delighted with this bill. I was glad to hear the hon. members for Qu'Appelle and Burnaby-Coquitlam state that they thought it would help somewhat to reduce farm costs. As the hon. member for Qu'Appelle said, if it helps to reduce these costs a little bit, it will be worth while, and will be well worth supporting. Mr. Chairman, I am not a farmer and so I am no expert in these matters; but I am anxious to see bills of the kind that the resolution speaks of coming before the house, because these are matters which should be of great assistance to those who follow agricultural pursuits in this country. I trust that the bill will greatly assist groups of farmers. The resolution refers to syndicates and I hope this will be of assistance to co-operative movements and, as a result, to the general enhancement of farming in other provinces, in these crucial days for our farming population. Like the hon. member for Burnaby-Coquitlam, I trust that this legislation will help the small farmers to band together in order to rise above the cost-price squeeze in the purchasing of equipment.

Mr. Chairman, the purchasing of farm machinery by syndicates composed of farmers is, of course, of assistance to the farm implement business, a business which has been the backbone of industrial life in the city of Brantford, Ontario, over the years. Today in Brantford we have a new farm implement plant which is one of the largest, if not the largest manufacturing plant of its kind in North America. Speaking both for the farming population and for those enterprises engaged in manufacturing of farm equipment, I cannot but be enthusiastic about this resolution. Mr. Chairman, I shall look forward with keen interest to studying the bill.

Mr. Horner (Jasper-Edson): Mr. Chairman, I have been looking forward to the time when this legislation was presented to the house. I hope the minister will not think this is a complete answer to the agricultural problems of today, because it is not. I should like to point out several things in respect of the cost of farm machinery, of which he may or may not be aware.

First of all I should like to suggest that if as a result of this kind of legislation he thinks he is going to reduce the cost of farm machinery to the individual farmer, he is having a pipe dream. If it has that effect I will be pleased, but I do not think it will. I have some very definite views in respect of how, if he has any desire to do so, he can reduce the cost of farm machinery to farmers all across this country.

Several years ago members of parliament spent a great deal of time accumulating several thousand pages of evidence in respect

of the cost of producing farm machinery. That committee on agriculture, after its detailed study, made certain recommendations, the main one being that the committee should continue to study the problems and look at what was being done by other countries today in relation to the cost of farm machinery.

Mr. Chairman, so far as the resolution and the minister's statement are concerned, I am of the opinion that very little will be done to reduce the cost of farm implements. We have just heard the hon. member for Brantford speak in support of this piece of legislation, and I wonder whether it is going to be more beneficial to the manufacturers of farm machinery than to the farmers. Perhaps that is a good question and one deserving of an answer. Before we accomplish anything in respect of solving the difficulties relating to the cost of farm implements—and I should like to remind the minister that costs incurred by farmers are increasing all the time, while the farm income picture is not rosy—we will have to take more definitive steps than proposed at this time.

We are greatly concerned about what the minister and his cohorts intend to do in respect of rising costs in relation to many farm products including the cost of raising cattle and producing grain, because we are vitally concerned with these difficulties. I suggest one of the ways by which costs incurred by farmers could be reduced is by government leadership in the field of standardization. For the last two or three years I have had a private member's resolution on the order paper in respect of this situation. I believe that if we are going to accomplish anything in this field of standardizing the costs of farm machinery parts we must have leadership from the government. Parts must be standardized before any reduction in costs will be realized, and although there has been a slight step in this direction, we have a long way to go. Farmers complain mainly about the cost of repairs to farm implements. They are familiar with capital costs of machinery, and figure these costs into their over-all plans; but the high and unforeseeable cost of repairs is hurting them badly.

One reason for the high cost of repairs is the lack of standardization in respect of parts. I believe a system of standardization should be set up under the authority of a three man board, one appointed by the farm organizations, one by machine manufacturers and one by the government, and this board could work towards standardization of as many parts as possible. I appreciate that this would involve great difficulties, and that we must continue to maintain private enterprise in the manufacture of farm machinery if we are to keep up to date and make progress in the development of agricultural technology; but we must be able to compete with the rest of the world in agricultural products, if we are to keep this industry healthy, and we certainly should not allow costs of repairing farm machinery to rise out of all proportion. I suggest that the minister give some consideration to my suggestion in respect of standardization when drafting his next bill to assist farmers. This will be difficult, but I think we should make a start by establishing a three man board to look into the situation with a view to gradually bringing farm implement parts under a standardization policy.

Mr. Chairman, the hon. member for Burnaby-Coquitlam made a suggestion in respect of repair depots. I am not a socialist and do not believe in his theory that we should nationalize the farm machinery industry, and that is what his agriculture minister suggested to the agricultural committee of the Saskatchewan legislature. He suggested that we nationalize the farm machinery industry and do away with private enterprise in this field. I am wondering how the hon. member for Brantford would feel about that sort of proposition put forward by the hon. member for Burnaby-Coquitlam when he was the premier of Saskatchewan.

Mr. Peters: He might not find it any different having civil servants in the Brantford machine factory.

Mr. Horner (Jasper-Edson): The hon. member for Timiskaming was also a member of our committee and expressed that same attitude. I intend to also refer to some of the other suggestions made by that committee in respect of the cost of farm machinery.

The hon. member for Burnaby-Coquitlam referred also to the fact that labour productivity had increased and that this was not the reason for the increased cost of farm implements. Of course one must realize that one of the conclusions of that committee was that there was a difference of opinion expressed by witnesses in respect of labour productivity compared to the increase in wages. I do not feel competent to deal with the finer economical points of this argument, but there was a considerable difference of opinion expressed by labour unions and management in regard to whether or not the increase in wages could be compared favourably or otherwise to the increase in produc-

tivity, or whether in fact increased wages did contribute to the increased cost of farm machinery. I appreciate that the increases in wages were justified and that labour has the right to an improved standard of living, just as do farmers and others, but I do not believe that the nationalization of the farm machinery industry will cut costs incurred by farmers. As I have stated, I think a standardization policy would do much toward that end.

Second, I should like to point out that the majority of farm implements are not manufactured in Canada, unless that factory in Brantford is now engaged in this field. At least in the years 1961 and 1962 there was not one tractor manufactured in Canada. These companies, Massey-Harris, International Harvester, John Deere and Case are international farm machinery companies. They manufacture their machinery in the country where they can find the lowest costs, and they sell their machinery in countries like Canada for what the market will bear, with no regard to their costs. The then general manager of Massey-Ferguson admitted this to the committee when he said in answer to the hon. member for Kent (Ont.) that "market conditions here establish the price of equipment in this market". He went on further to tell us point blank that what they charged farmers in Canada had nothing to do with their costs.

Many years ago the entry of farm machinery into Canada was made available to farmers on a free trade basis, without duty. So we set the stage for these international companies to build their machinery in the country where they could find the lowest standard of living and the lowest labour cost, so that they could then sell their machines in countries like Canada at prices set on the basis of what the market would bear. This is what the general manager of Massey-Ferguson admitted before the committee.

If we really want to do something about the cost of such machinery to the farmers of Canada we have to have regard to the fact that Massey-Ferguson manufactures all its diesel tractors in Coventry, England. If a Canadian farmer wanted to do so he could travel to England and buy an identical tractor from a dealer there for several hundred dollars less than the price for which he could buy it from a Canadian dealer.

Here is the crux of the situation. If we are going to lower the cost of some of this machinery we are going to have to say to these manufacturers that if they want to continue to enjoy duty free entry of their product into Canada they must sell it to our dealers at a price equivalent to the price at which they sell it to dealers in the country of origin. Our farmers cannot even buy machinery manufactured in the United States from a dealer in Canada at the same price as they could if they went to the United States and bought the same machine from a dealer there. Why is this so? Because our farmers have been suckered into a deal where they are paying what the market will bear.

If we want to do something about the cost of farm machinery, let us have a look at the situation which makes it possible for these international companies to operate in this way. Massey-Ferguson puts forward the proposition that they are really a Canadian company because they have their head office here, but most of their manufacturing is done outside of Canada and most of their sales, of course, are also made outside of Canada. These international companies have taken advantage of the free trade situation and in my opinion have in fact conspired to set prices in Canada at what the market will bear. What in fact are Canadian farmers doing? They are paying for the cost of erecting factories in low labour cost countries. If we want to do something about the cost of farm machinery, then let us say to these people that if they are going to bring in tractors from England they must treat their dealers in Canada in the same way as their dealers in the country of origin. If they did so the price of tractors would come down tomorrow by $400 to $500, far more money than the farmers will save as the result of anything contained in this resolution.

I am sure the minister is aware that a year ago the Alberta legislature set up facilities so that farmers could get together in groups to buy farm machinery. This plan has been operating for a year and I believe, subject to correction, that there are seven such groups now operating in the province of Alberta under a similar sort of arrangement to what the minister is now trying to set up. I wonder whether the minister's department has got in touch with the department in Alberta to see how their plan is working. My understanding is that it is working very well for certain types of machinery, but that in the case of harvesting and seeding equipment it does not work very well.

I have spoken to some of those in the group in the Camrose area where they have a farm machinery co-operative and my information is that machinery such as land

levellers, caterpillar tractors and feeding and grinding equipment is ideally suited to this kind of approach but, as a Creditiste member mentioned, what about tractors? A tractor has to be readily available if maximum benefit is to be derived from its use.

If we want to reduce the price of farm machinery we have to do more than is envisaged in this resolution. We have to proceed with a standardization program. I believe we should take the best parts of Saskatchewan's program and institute it on a national basis. I think there should be national standards with regard to warranties because the most common complaint I have had from farmers in my area with regard to farm machinery is not that the dealer would not do anything for them but that the company would not stand behind the warranty. The farmer could not return the machine if he was not happy with it and had nothing but trouble with it. This applies to some of our larger farm machinery companies, even if their head office is in Canada.

These people have had a good market in Canada for their product, and while I appreciate they have provided some jobs in cities such as Brantford, Toronto and Hamilton the number of jobs that the farm machinery companies have really provided have not been that many. Therefore they should think about doing more manufacturing in Canada, particularly in view of the fact that they have had free access to the market here and have set their prices here without regard to their costs. All we say is that our farmers should be able to buy the same tractor for the same price that a farmer has to pay for it in the country of origin, and I am taking into consideration freight and everything else. I know what I am talking about because I had a friend who was going to Scotland price a Massey 35 diesel for me, and if he had purchased it he could have saved $600, even taking into account the cost of shipping the tractor to Canada.

Surely it would be a simple thing for the Minister of Finance to say to these people: You will no longer have free entry into our market unless you show us that you are making this machinery available to our farmers on a basis comparable to that on which you make it available to farmers in the country of origin. This is not restricting trade. This is making sure that these companies do not make suckers of Canadian farmers.

There are one or two other things I wanted to say with regard to the type of machinery that might be worth while under a program such as the minister has outlined. Again I say that this program can be of some little help, particularly with regard to the clearing of land. It seems to me that would be an ideal situation for a group of farmers to get together to buy land clearing machinery, and in my area this is vitally important. I hope the minister will make allowances for this in the bill and that he will not exclude large caterpillar tractors, large breaking plows, large diskers and so on that can be used in clearing and breaking new land, particularly in those areas where there is good arable farm land available.

I also think that the best way to proceed with the bill, once we have it, would be for the minister to refer it to the standing committee on agriculture for its consideration. Many members on this side of the house and some on the other side took part in previous committees which spent some time studying the problem of farm machinery costs. I think the minister should take advantage of their knowledge by submitting the bill to the standing committee on agriculture. I believe that in this way we could hammer out a bill with which we would all be happy and which would be really effective. There have been many questions asked by hon. members who have already spoken. Who is going to qualify? What kind of machinery is going to be available under this legislation? All of these things, of course, so far are merely the subject of conjecture.

The hon. member for Medicine Hat apparently had some word from someone that $75,000 was the amount which would be made available to each syndicate. This is a lot of money, but I can say that in an area such as mine in which clearing and breaking equipment is required, it is not going to be enough. I do not know whether or not the hon. member has a pipe line to the minister's office, but these are some of the problems that could be thrashed out in the committee. Perhaps if the committee were to meet in camera we could hammer out a bill that would be effective, and which would help the farmers right across the country to a greater extent than some superficial bill that will be the subject of so many regulations that it will not be effective. I understand that the farm credit officers are going to administer this measure. If this is correct, then I agree with it. I think this is essential. This is one of the things for which we fought when I pointed out to the minister that he

was being pushed around by the justice department in connection with the naming of solicitors.

The idea of having a farm credit officer out in the area is one which we brought about. We think this is a worth-while idea. This is the kind of work such an officer can do, along with his farm credit work. He can supervise some of these applications from these syndicates and find out what they are doing. I feel this is an excellent idea—if it is the idea.

I come back to one other point, and that is the question of regulations. We have to make sure we are not just passing another piece of paper. We have to make sure this is going to work. As I said in connection with the Farm Improvement Loans Act, that measure will not be of assistance if the banks will not lend the money. This type of legislation is fine; it looks good. It will help a few farmers, but I have a suspicion it is going to help the larger farmers who can find $5,000 to go into a syndicate. What is it going to do for the poor little farmer who cannot find $300 or $400 to go into a syndicate which will buy machinery? How is it going to benefit these people?

We will be looking forward with interest to the bill which will be following this resolution. I hope the minister will follow our suggestion that the bill be referred to the standing committee on agriculture and colonization, so that we can hammer out a bill which would be a first step toward the effective reduction of farm machinery costs. I hope also he will give consideration to the two areas with which I have been concerned, namely standardization and the importation of equipment from low labour cost countries. According to their own admission, these companies have charged whatever the market would bear. I ask him, along with his colleague the Minister of Justice, to look at whether or not these companies are in fact in breach of the combines legislation in their pricing policies on farm machinery. I refer particularly to machinery which is manufactured in other countries, and this covers the majority of farm machinery now used in Canada. If we really want to do something about the cost of farm machinery, here is an area in which we could save our farmers a great deal of money and in which we may even be able to provide additional jobs by manufacturing machinery in Canada.

[*Translation*]

Mr. Vincent: Mr. Chairman, I have a few comments to make about this resolution.

First, I must say that the measure the government is bringing forward today is still but a pebble in the ditch separating the pitiful income of the farmer from a reasonable income.

I should like to quote what the Minister of Justice (Mr. Favreau) said on television on August 23, 1964:

> Never, since 1956, has parliament done so much legislative work in so little time.

Those were the words spoken by the Minister of Justice on August 23 of this year.

On the other hand, on other occasions we have heard the same minister tell us that we were carrying on a filibuster.

Despite all those measures referred to by the Minister of Justice, we have yet to see a concrete one really designed to help the eastern farmer.

For several months we have been hearing about the legislation now before us. Yet, it was put on the order paper only on September 14 last, that is only yesterday. What the minister stated this afternoon does not give us much information on the bill which will be brought forward after the passing of this resolution.

I expected that the minister would give us some information that would enable us to see whether this new legislation would at least put a little stone in the trench separating the farmers' pitiful income from a reasonable revenue.

Now, what would be the maximum amount allowed for that organization or co-operative mentioned in the said resolution? Will it be $75,000? That amount was mentioned by an hon. member a few minutes ago. Will the maximum amount be larger or smaller? We would have liked the minister to tell us.

Moreover, the Minister of Agriculture told us that this agency or co-operative would be made up of three or more members. Now, I wish to point out that in this resolution nowhere is the word farmer used. Maybe it is the intention of the minister, at this time, to eliminate completely this word in future legislation.

As far as I am concerned, even if I am still a farmer, I am not in the least ashamed of it. But it is to be noted that the resolution does not mention that those three persons must be farmers. I think, therefore, that a farm machinery salesman could, for instance, form a syndicate, which would be quite easy for him, for he would only have to ask two other persons, who are farmers, to form this syndicate with him, and after a while, he could sell his share to another farmer. In the meantime he would have sold a lot of farm machinery, and in six or eight months

he could set up the same scheme and form another group or syndicate. As I said before, how are we to know if only farmers or producers of farm products will form such groups.

Now, if such a group is an organization, a co-operative or a syndicate composed of three members, could three brothers who have formed a farm corporation, owning the same farm, the same livestock, organize such a syndicate or co-operative? That is another question I have asked, and I believe that under the circumstances it would serve a good purpose if three members of the same family could form such an organization or syndicate.

Here is another point I immediately thought of when I read the resolution and after hearing the statement of the Minister of Agriculture: What would be the rate of interest charged on loans made to those organizations? Would it be higher than the rate now charged under the Farm Improvement Loans Act or would it be the same as the rate accepted by the present government on loans over $7,500 made under part 3 of the Farm Credit Corporation Act?

Now, what will be the method of reimbursement? Over how many years will the repayment of loans granted to those syndicates be spread? We would have liked the minister to clarify this point when he spoke on the resolution earlier. I think we would have passed through this stage more promptly so that he might ask his officers to make the necessary corrections to the bill and submit it to us afterwards as soon as possible.

There is a further question several of us are asking themselves: Why will this act be administered by the Farm Credit Corporation instead of by chartered banks, as is the case with the Farm Improvement Loans Act?

I approve the Department of Agriculture for having entrusted the implementation of this measure, the provisions of which I do not know yet, to the Canadian Farm Credit Corporation, because I know several advisers of this corporation and I am aware of their wide experience in the preparation of such loans, and I am convinced that they will be able, by working in agreement with their advisers throughout all the provinces, to deal with this measure which is highly prized by the farmers; they have, in many areas, efficient advisers who will be able to welcome and advise the farmers who are anxious to set up syndicates.

I should like to take this opportunity to say to the minister that it is very nice, indeed, to introduce pieces of legislation to enable farmers to purchase farm machinery, but it is even more important to be able to advise farmers in such a way that they will not engage in a series of commercial operations they may be sorry for in a few months or years. If, in a given area, the farm counsellor takes time to pay the necessary attention to farmers who want to unite in a group and to give them appropriate advice by explaining to them the best way to organize themselves, I think the Farm Credit Corporation will play a part which will be beneficial to all farmers in this country.

When a group of farmers wish to form a syndicate or a co-operative to buy machinery, they must necessarily know the operating cost per hour of work of a combine for instance. I am unable to tell you what it is, but the farmer must know. If the Farm Credit Corporation has those figures, the farmers can meet its farming counsellors and establish their program before buying machinery they would then know the annual rate of depreciation, the interest charges and the method of reimbursment, and they could make their purchase accordingly.

I know that we will resume consideration of all these questions when we study the bill.

But before reading the bill I should like the Minister of Agriculture to give me a few answers, so that I will not have to move amendments to this bill when it is brought before us.

As the hon. member who spoke before me said a moment ago, it would have been preferable for this bill to be submitted to the committee on agriculture and colonization, so that every member informed by the advice of officials of the department could express his idea in order to hammer out the best possible legislation.

[*Text*]

Mr. Nasserden: Mr. Chairman, no matter has come before the House of Commons of as much importance to the agricultural industry as that of the cost of farm machinery. About six months ago I listened to the minister addressing the municipal convention in Regina. I recall the plateau he was on at that time, and the forecast he made of the inroads that would be made into the problem of farm machinery costs, and his forecast of what the government would do to attack that problem. If this resolution is the result of all the intervening months' work, then I for one am sincerely disappointed.

When I say that, I do not intend to indicate that this is a useless measure in itself; but if it is the sum total of all those months of study, and of the long hard look that was taken at this problem, then it is a weak and pale measure indeed.

The hon. member for Shefford indicated his belief that this would be a more useful measure for farmers in western Canada than for those in other parts of the country. I am inclined to agree with him. In fact I am inclined to go a little further and say it will be of more benefit to the larger farmer than to the smaller farmer who, for the past several years, has been the chief concern of governments both at the provincial and federal level. I am interested in this word "syndicate". I wonder why it is used in this resolution, and whether it will be used in the bill. I wonder whether this measure envisages the setting up of simple co-operatives for the purchase of machinery they require. If this is so, why does the minister not want to use the word accepted in most farm communities across Canada, rather than the word "syndicate" which is before us at the present time.

There is one other question I should like to raise. In the last several months, particularly the last five or six months, the Minister of Agriculture has indicated a desire to get the provinces to bring in legislation supplementary to the legislation he proposes—legislation which, I take it, is encompassed by the measure now before us. I should like the minister to tell us whether he has been successful in securing commitments or indications from any of the provinces that they are willing to bring in legislation which will complement or supplement the legislation envisaged in the resolution before us.

I think back to the inquiry into the cost of farm machinery which was undertaken by the government several years ago, when we were sitting on the other side of the house. I recall the frustration some of the members of that committee felt as they questioned the officials of certain of the companies which came before the committee at that time. One member who spoke today in the debate said we took no action on the recommendations of that committee during the last few months during which we were in office. I cannot allow that observation to pass without making reference to the determined obstruction mounted by members opposite, who then formed the official opposition, obstruction which prevented the government from completing many of the courses upon which it had embarked in its first years of office.

I know the minister is a learned man in many ways and that he keeps in close touch with what is happening in the business world in Canada. I suggest he take a look at what has happened to the value of Massey-Harris shares in the last few years. This will give him some indication whether or not an inquiry into the cost of farm machinery should now be undertaken for a second time, and proceeded with. No one can deny that the situation has changed, even since the inquiry which was held some two years ago.

The fact that these arrangements are to be under the supervision of the Farm Credit Corporation brings up the question of the interest rates to be charged on these loans to farmers. I want to tell the government that if in the bill they propose to bring before parliament there is a further erosion of the principle which was embodied in the Farm Improvement Loans Act as it existed before the present administration came to office, this will be another step along the road which will raise instead of lowering the cost of loans to farmers across this country. I notice that certain people have been taking notes, and I hope the minister and his officials will take note of that observation. I trust we shall not have to rise when the bill is brought forward and oppose it on that ground, at least.

Another matter which was mentioned briefly by an earlier speaker this evening concerned the nature of the syndicates or co-operatives themselves. As I mentioned, in western Canada Canadian Co-operative Implements Limited has been operating for some years. This organization was set up in an attempt to reduce the cost of farm implements, and it is a fact that in the past two years dividends from the company have amounted to between 10 and 12 per cent. This immediately raises the question as to the nature of the syndicate or co-operative or other form of company which would be set up to make possible the purchase of machinery in accordance with the provisions of the bill to be laid before us. Dividends will be forthcoming to the purchasers, and there must be some basis upon which these dividends can become the equity of those to whom they belong.

Another problem which concerns farmers in this regard has to do with warranties, and this too has been mentioned by an earlier speaker. In Saskatchewan I believe the leader of the New Democratic party indicated his belief that the problem had been licked or, at any rate, that an effort had been made to solve it. I can assure the committee that

this is far from the truth. Farmers on the prairies today are having a difficult time with the implement companies as far as warranties are concerned. Many of the machines coming off the assembly lines now are not proven. But farmers who find them unsuitable for the operations for which these machines were purchased are often unable to return them to the manufacturers when it is apparent they are not performing satisfactorily.

A word now about parts. As I recall it, when the inquiry into the cost of farm implements was under way the implement companies presented what seemed to many of us a very fair case with regard to the parts carried for the farm people. But this still remains one of the problems facing those who buy machinery—the fact that parts of many of these machines are not as readily available as they should be, even for new machines. This is particularly damaging when a replacement part is needed at seeding time, or during the harvest or in the course of some other urgent farm operation.

I am disappointed in this resolution and in its terms. If this is supposed to be the answer the government has to the high price of farm machinery I can only say it is a poor substitute indeed for legislation which could have accomplished its purpose more effectively. It will help only a limited number of people, in many cases people who would otherwise be able to secure the credit they need from other sources—and I am not referring to those sources which are charging 12, 14 and 16 per cent. I know the minister has been anxious to create the impression that he intends to do something for agriculture. We on this side like to think he is sincere in that desire. But when I look at this resolution I cannot see very much in it which will enhance the prospects of the agricultural community of Canada. In so far as agriculture is concerned, it is one of the weakest resolutions that has ever been brought before the parliament of this nation, when one compares its limited extent with the promises that were held out, almost on a daily basis, from one end of this country to the other by the Minister of Agriculture. In view of this, sir, all I can say is that if the bill follows the terms of this resolution, it will be a shocking dereliction of duty, in so far as the promises that were made to the farmers across this country are concerned.

I say that it is particularly shocking to those in eastern and central Canada, and the smaller farmers in other parts of Canada, who will find this legislation almost useless to them in their struggle to beat the cost-price squeeze that today engages the attention of farmers across this country. I am sure the minister and his officials have been taking notes during this discussion and perhaps this point has occurred to them already; but I would hope that grain handling, grain storage and grain cleaning equipment would also be included in the definition of "farm machinery" when the definition is decided upon. I do not think I have anything else to say at this time, Mr. Chairman, except that I hope the bill is much better than the resolution would indicate.

Mr. Horner (Acadia): Mr. Chairman, I and many other members of this house have been greatly interested in this proposed piece of legislation, perhaps because the minister has gone across the country talking about it and saying what it would do to the agricultural economy. I think at one time he said it would revolutionize the agricultural economy of this country. We have been waiting anxiously for this measure to be introduced. I have a brief clipping from a Lethbridge newspaper away back in April, when the minister made a statement in Lethbridge and said, "Farmers, wait". Well, Mr. Chairman, this house has been waiting since that time, and at last this measure is on the order paper and is before us.

In Lethbridge in the spring the minister said he could not supply any information with regard to what he envisaged would be in the bill, and he did very little better when introducing it at the resolution stage. He failed to enunciate what he meant by the word "syndicate". An hon. member asked, "Does it mean three farmers or more? Can it be two farmers and their sons who are already operating farms?" We really do not know. What does it apply to; what does the minister mean by the words "farm machinery"?

I can remember that a couple of years back I had quite an interesting discussion about the terms "farm implements" and "farm machinery". What do these terms include? I could ask, for example, will they include feed mills, and a syndicate opening and starting to operate a feed mill for the purpose of feeding their own livestock? Will it cover those people who are going to be in the business of dealing with livestock or buying livestock? I hope the minister will consider these points before bringing in the bill. The resolution says:

—the terms and conditions of such loans, the amount of a loan not to exceed 80 per cent of the actual price to the farm machinery syndicate—

What does the minister mean by "farm machinery"? Does he mean that the provisions of the bill will apply only to machinery, and not to livestock? Certainly anybody in the feeding business knows that he can put his own money into livestock and put the government's money into the feed mills, corrals, and the feed distribution system, which has become highly automated in the last five years in particular.

Perhaps the most one can say for this resolution, as it has been devised by the minister, is that it is his hope of doing something for the farmers. But whom will it help? Will it help the grocery growers, the food manufacturers, or just the plain farmer? Will it help the wealthy farmers, or will it help those who need help the most?

Some years ago when we were on the other side of the house we implemented the Farm Credit Corporation, or revised the old farm loan board. It was a well established fact that the old farm loan board only helped those who did not really need it, who had financial backing to help themselves. We established the Farm Credit Corporation under the principle of helping those who needed help; in fact, one who had already established himself on an economic unit could not obtain a loan from the Farm Credit Corporation. During this session quite recently we saw some erosion of this principle; we saw the Farm Credit Corporation granting loans up to $40,000 and $55,000, when it was a well established fact that anybody obtaining a loan of $40,000 from that corporation should at least have collateral equalling $40,000.

Now we have before us a proposal that is going to be operated by the Farm Credit Corporation, and the provisions of the bill will mean that loans will be granted to syndicates. I do not know what the minister thinks of farmers. From his definition, or his evasion with regard to the word "farmer" I am led to believe that he has perhaps been ashamed of being called a farmer all his life, and has been trying to find a new name for himself. Personally, Mr. Chairman, I am not ashamed of the name "farmer" and I have always been proud to be proclaimed as one. But the Farm Credit Corporation was set up with the basic principle of helping those who needed help most. Now, however, we find that the Farm Credit Corporation is helping those who need it the least. Certainly any farmer, or any ten farmers in any part of Canada would not like to be called grocery growers and would hate to be called a syndicate. I am sure farmers would view that title with some scepticism, to say the least. In this resolution we fail to see any definition of the words "farmer" or "syndicate". Would it include a lawyer, for example, who is practising a law business but also operates a farm on the edge of town? Would this measure allow him to go into the feeding business, for example? This is, of course, occurring in many areas of Canada.

Mr. Chairman, may I call it 10.30?

Mr. Favreau: Mr. Chairman, if the committee had a disposition to give this bill first reading tonight—and I sense that it has—we might be disposed not to see the clock and let the hon. gentleman complete his interesting remarks. In that event, we might give the bill first reading.

Mr. Hamilton: Mr. Chairman, I think it might facilitate the speed with which the house deals with this measure at the resolution stage if we could get some answer from the government as to whether this brand new legislation will go before the standing committee on agriculture and colonization. That committee is not holding any meetings now and would be free to give this legislation a detailed examination outside the house, and therefore the house could go on with other business.

Mr. Hays: Mr. Chairman, we have given this bill a great deal of consideration. We realize that after the bill has been in operation for possibly a year some parts of it will perhaps need amending. But it is important, I think, in so far as farmers are concerned, and I believe that after hon. members of the committee see the bill they will agree with this. I have listened very carefully to all the questions that have been asked this evening, and I think they are all answered in the bill. I do not think one question has been asked that is not answered by one of the clauses of this bill. Mr. Chairman, I also should indicate that I have discussed this proposed legislation with all of the ministers of agriculture of the ten provinces of Canada, and they have indicated they think this is an excellent bill.

Mr. Horner (Acadia): Who do you say thinks this is an excellent bill?

Mr. Hays: I have discussed it with all ten of the provincial ministers of agriculture of Canada, and they agree with me that there

are no specific items of machinery not covered, or that will not be covered by the legislation. Be that as it may, I think we could go ahead and accept the resolution tonight, then have the bill presented, which I am sure is self-explanatory.

Mr. Horner (Acadia): Mr. Chairman, I intend to continue my remarks or call it ten thirty.

Mr. Favreau: Mr. Chairman, it is my suggestion that we allow the hon. member to complete his remarks so that we might be in a position then to give the bill first reading. In view of the importance of this legislation I am sure all hon. members are interested in seeing the bill, so as to be in a position to discuss it more thoroughly at the second reading stage.

Mr. Douglas: Mr. Chairman, there is little value in doing that unless we know this is the last speaker. There may be other speakers, and by sitting for an extra 20 minutes or half an hour only to find that there are others would be useless.

Mr. Favreau: Mr. Chairman, if I am not too much out of order perhaps I could ask the members of the opposition parties present whether there are any others who intend to speak at this stage, and if there is an indication that this is the last speaker I am sure we would all be interested in listening to him so that we may receive this bill and make some real headway.

Mr. Horner (Acadia): Mr. Chairman, I do not know whether there are any other speakers to follow me, but I do know I have ten or twenty minutes left which I intend to use, and if the committee is good enough to stay and listen to me I will complete my remarks. I might say that I asked for permission during the flag debate to speak longer than my allotted time and it was not given. Those members on the opposite side seem to have had a change of heart. I will gladly forgo my further remarks at this time if the minister will state that this whole question in respect of farm machinery will be referred to the agriculture committee, and that representatives of farm organizations, machine companies and other interested parties will be heard, so that we will have a better idea of what is envisaged by this legislation.

The Acting Chairman (Mr. Batten): Is it the wish of the committee to allow the hon. member to continue?

Mr. Horner (Acadia): Mr. Chairman, if I am right, I must have unanimous consent in order to continue past ten thirty.

The Acting Chairman (Mr. Batten): Is it the wish of the committee to continue?

Mr. Monteith: It is ten thirty.

Progress reported.

CANADIAN FLAG

PERSONNEL OF SPECIAL COMMITTEE

Mr. J. E. Walker (York Centre) moved:

That the special committee on a Canadian flag appointed September 10, 1964, be composed of Messrs: Batten, Cadieux (Terrebonne), Deachman, Dubé, Flemming (Victoria-Carleton), Mrs Konantz, Langlois, Lessard (Lake St. John), Macaluso, Matheson, Monteith, Pugh, Rapp, Ricard and Scott.

He said: In moving this motion, Mr. Speaker, I hope the house will allow me to assure the members of the special committee on a Canadian flag that they have the good will of their parliamentary colleagues, and our full confidence in their sincerity, integrity and patriotism. We wish them well in their arduous and historically important task.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader whether we are to carry on tomorrow with the two resolutions now in front of us?

Mr. Favreau: Mr. Speaker, tomorrow we will carry on with the business as announced yesterday and try to complete—I hope we will—the resolution stage of the farm machinery syndicate bill. I might try to communicate with the house leaders to find out whether it would not be possible to complete the other stages of that bill tomorrow. I am not prejudging any issue, of course. I say that, in view of the importance of the measure as already stated by the Leader of the Opposition.

We will then take the resolution preceding the crop insurance bill, to be followed by the continuation of the debate at the committee stage of the redistribution bill. I should like to say that beginning Thursday, as announced, we will be taking estimates. The order will be that already announced, that is the Department of Transport to be followed by northern affairs, public works and citizenship and immigration.

I should like to advise the house that in view of a commitment of the Minister of Transport, the consideration of the estimates

of the Department of Transport will be limited for this week to Thursday only, although I hope they will be completed on that day. However, if we have not completed the estimates of the Department of Transport we will proceed on Friday with those of northern affairs, followed by the departments I have just announced.

At 10.40 p.m. the house adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Wednesday, September 16, 1964

The house met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, September 16, 1964

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, September 16, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,

Your obedient servant,
A. G. Cherrier
Assistant Secretary to the Governor General

HOUSE OF COMMONS

ANNOUNCEMENT OF PAY INCREASES FOR EMPLOYEES

Mr. Speaker: I have an announcement which I am sure will interest all hon. members. It relates to salary revisions for employees of the House of Commons. I should like to make an announcement which will, I know, be of interest. At their meeting on Monday, September 14, 1964, the commissioners of internal economy approved pay increases for House of Commons employees in classes and grades comparable with those included in group B of the civil service. An extract of the minutes of the said meeting in connection therewith will be laid before the house shortly.

POWER

COLUMBIA RIVER TREATY—TABLING OF EXCHANGE OF NOTES

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I should like to table, in English and in French, two exchanges of notes in connection with the Columbia river treaty. The first is an exchange of notes between Canada and the United States of America confirming the entry into force of the protocol of January 22, 1964, to the Columbia river treaty, and dated September 16, 1964, and the second is an exchange of notes between Canada and the United States of America authorizing the Canadian entitlement purchase agreement provided for under the Columbia river treaty, and dated September 16, 1964.

Some hon. Members: Hear, hear.

Mr. Herridge: A sell-out.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

NATIONAL FILM BOARD FEATURE PRODUCTIONS

Question No. 1,779—**Mr. Dinsdale:**

1. What theatrical features have been produced by the national film board?
2. What was the true cost of each, including its fair share of all overhead?
3. What is the purpose of each?
4. What is the policy of the national film board regarding production of future theatrical features?
5. How many original motion pictures were produced by the national film board in each of the past five years?
6. How many original motion pictures were produced for the national film board by private Canadian companies in each of the past five years?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): I am informed by the national film board as follows:

1. (a) Royal Journey, 1951; (b) Pour la Suite du Monde, 1963; (c) Drylanders, 1963; (d) Le Chat dans le Sac, 1964; (e) Nobody Waved Goodbye, 1964.

2. (a) $88,962, final cost (including production overhead); (b) $82,625 final cost (including production overhead); (c) $211,479, final cost (including production overhead); (d) $45,982, total cost (including production overhead); (e) $73,593, to July 31st, 1964. Final cost estimated at about $5,000 higher in each case.

3. Under the terms of the National Film Act 1950 the board is established to produce films in the national interest and in particular to interpret Canada to Canadians and to other nations. Each of the above films fulfils this purpose. Royal Journey recounts the travels of the Queen when she was Princess Elizabeth

across Canada in 1951; Pour la Suite du Monde is about the people and traditions of the Isle aux Coudres in the lower St. Lawrence; Drylanders recreates the history of a pioneer family which settled on the prairies in the early 1900's; Le Chat dans le Sac is the story of a young man's struggle to decide his destiny in the French Canada of today. Nobody Waved Goodbye is concerned with a young man from a middle class family in revolt against his milieu and is intended to explain some facets of juvenile delinquency.

4. It is anticipated that the board will produce a limited number of feature films in the future when the subject matter as well as the distribution warrant the feature length format, taking into account the overall balance of its production program and its resources.

5. 1959-60, 95 (including 23 commissioned by other departments); 1960/61, 83 (including 28 commissioned by other departments); 1961-62, 93 (including 19 commissioned by other departments); 1962-63, 84 (including 19 commissioned by other departments); 1963-64, 90 (including 25 commissioned by other departments).

6. 1959-60, 1; 1960-61, 1; 1961-62, 3; 1962-63, 7; 1963-64, 1.

KINGSTON PENITENTIARY—PSYCHOLOGISTS EMPLOYED

Question No. 1,788—**Mr. Howe (Hamilton South):**

1. How many psychologists, full and part time, are employed in the federal penitentiaries at Kingston, Ontario?
2. How many positions for psychologists, full or part time, are now vacant?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Three full time; none part time.

2. Three full time; none part time.

KINGSTON PENITENTIARY—PSYCHIATRISTS EMPLOYED

Question No. 1,789—**Mr. Howe (Hamilton South):**

1. How many psychiatrists, full and part time, are employed in the federal penitentiaries at Kingston, Ontario?
2. How many positions for psychiatrists, full or part time, are now vacant?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Full time, none; part time 2.

2. None.

[Mr. Stewart.]

SOIL POLLUTION BY AGRICULTURAL CHEMICALS

Question No. 1,801—**Mr. Howe (Hamilton South):**

1. Is the government conducting research into the effects of long term soil pollution with herbicides, pesticides, and other agricultural chemicals and, if so, at which institutions, and under whose direction is such research being conducted?
2. What is the annual cost to the government of each of these projects?

Hon. Harry W. Hays (Minister of Agriculture): 1 and 2. The Department of Agriculture has been directing the attention of available scientists to define where long term pollution may become a problem as the result of agricultural uses of pesticides. At the present time no comprehensive co-ordinated program has been developed or put into action due to the shortage of qualified trained staff. Chemists and biologists capable of conducting the investigations are available now at a few locations, working on local and regional problems of priority that have emerged as the result of local requirements for pest control. The Department of Agriculture is attempting to recruit and train the specialists required to develop research programs at key locations.

Investigations now in progress at research branch establishments as part of existing programs are:

Research station, Kentville, Nova Scotia, director, Dr. J. R. Wright. Investigation of the persistence of pesticides in soil of apple orchards and pastures; the translocation of mercury in apples, vegetables and root crops; the residues in plants and soil from new selective systemic insecticides. Estimated annual cost $20,000.

Research station, Fredericton, New Brunswick, director, S. Hilton. Residues of arsenic and D.D.T. on apples resulting from apple maggot and blueberry maggot control. Estimated annual cost $6,000.

Analytical chemistry research service, Ottawa, Ontario, director, R. B. Carson. Research on methods of pesticide residue analysis in plants, animal and soil. Estimated annual cost $35,000.

Entomology laboratory, Chatham, Ontario, officer in charge, G. F. Manson. Research on factors affecting the efficiency and persistence of soil insecticides. Estimated annual cost $27,000.

Research institute, London, Ontario, director, Dr. E. Y. Spencer. Research on chemistry of metabolism and degradation of pesticides; fundamental research on physiology and toxicology of mode of action of pesticides; physiology and chemistry of natural and synthetic

plant growth regulating compounds; the chemistry and biogenesis of naturally occurring plant toxins and protective substances produced by plants. Estimated annual cost $135,000.

Research station, Winnipeg, Manitoba, director, Dr. A. E. Hannah. Research on the persistence of dieldrin in cereals and forage plants, (program now being revised); chemistry of conversion of heptachlor to heptachlor epoxide and factors affecting efficiency of this pesticide in soil (under review). Estimated annual cost $35,000.

Research station, Summerland, British Columbia, director, Dr. C. C. Strachan. Chemical analysis of pesticide spray deposits as part of program of development of local pest control recommendations. Estimated annual cost $13,500.

Research station, Vancouver, British Columbia, director, Dr. R. E. Fitzpatrick. Research on persistence in soil of insecticides used for wireworm control. Estimated annual cost $7,000.

FREIGHT FERRY, PORT AUX BASQUES—NORTH SYDNEY

Question No 1,811—**Mr. Muir (Cape Breton North and Victoria):**

1. With reference to the new freight-carrying ferry to be put into service between Port aux Basques, Newfoundland and North Sydney, Nova Scotia, announced to a meeting of the North Sydney board of trade on March 14, 1964, by the Minister of Transport, how soon will tenders be called for such a service?

2. Did the Minister of Transport, after the meeting, advise reporters of the Halifax *Chronicle-Herald* and the Cape Breton *Post* that such a ferry would carry loaded railway freight cars from North Sydney for unloading at Port aux Basques?

3. If such a plan is effected, what will be the outcome in the reduction of the stevedore working force at North Sydney?

4. Has a survey been initiated by the government or the Canadian National Railways to determine the effect on the employment of stevedores at North Sydney as a result of the placing into service of a railway freight car ferry that would carry loaded railway cars from North Sydney to Port aux Basques?

5. In such a survey, is it being ascertained how many employees will soon be eligible for retirement?

6. When will tenders be called for the construction of the necessary wharfage facilities at North Sydney that will accommodate the vessels in the Canadian National Railways service between North Sydney and Port aux Basques?

7. How many vessels will the wharfage facilities be capable of accommodating?

8. What department will be responsible for the construction of the wharfage facilities in question?

Hon. J. W. Pickersgill (Minister of Transport): 1. Work on the design of this vessel is in progress but it is unlikely that tenders can be called before the end of this year.

2. No written statement was given to the press, and the Minister of Transport does not recall giving any categorical statement of this character, although such an inference might conceivably have been drawn from such answers as he made to questions.

3 and 4. There will be a reduction in the stevedore working force after the ferry comes into operation in 1967, the extent of which is now under investigation by the department and Canadian National Railways.

5. Yes.

6. The terminal development at North Sydney, which will include provision for both the Argentia ferry and the rail ferry, will be carried out in several stages; tenders on the first stage are due September 30, and tenders on the second stage will be called this winter.

7. There will be one rail berth at each port, but due to the short time required for unloading and loading these would be able to accommodate several vessels in service.

8. The Department of Public Works.

QUEBEC—WHARF REPAIR AND CONSTRUCTION

Question No. 1,812—**Mr. Ouellet:**

What projects are planned for the repair, construction and preparation work on piers in the counties of Rivière du Loup, Rimouski and Matane during 1964 and 1965?

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Rivière du Loup-Témiscouata constituency: Cabano, breakwater repairs; Cabano, wharf repairs; Cacouna Est, construction of inclined plane and enlargement of wharf headblock; Gros Cacouna, development of harbour; Ile Verte, maintenance repairs to wharf; Notre Dame de l'Ile Verte, repairs to eastern wharf; Notre Dame de l'Ile Verte, repairs to western wharf; Rivière du Loup, wharf repairs; Rivière du Loup, renewal of water line on wharf; Rivière du Loup, repairs to river wharf; Rivière du Loup, to complete new ferry landing; St-Juste-du-Lac, wharf repairs.

Rimouski constituency: Pointe-au-Père, wharf repairs; Pointe-au-Père, harbour improvements; Rimouski, Wharf repairs; Trois Pistoles, repairs to wharf A; Trois Pistoles, new ferry landing.

Matapédia-Matane constituency: Baie des Sables, protection work; Matane, wharf repairs; Matane, protection works; Matane, dredging; Matane, harbour improvements; Matapédia, extension to protection works;

Ste-Félicité, wharf repairs; St. Ulric (Rivière Blanche), wharf repairs and removal of outer end.

[*Text*]

WINTER CLOTHING OF R.C.M.P. GUARDS AT GOVERNMENT HOUSE

Question No. 1,816—**Mr. Howe (Hamilton South):**

1. Of those members of the R.C.M.P. who served outdoors at the Governor General's residence last winter, was each one issued with a pea jacket and/or storm coat?

2. Will they be so supplied in future?

Hon. Guy Favreau (Minister of Justice): 1. Each member was personally issued with a pea jacket. Eleven members who worked on the day and evening shifts were individually issued with a storm coat. Ten additional storm coats were issued to the post for the use of members working on the night shift.

2. Pea jackets will continue to be supplied to each member, but since April, 1964, storm coats are no longer issued on an individual basis, and 21 will be charged to the post and worn by each member as required.

DEFENCE PRODUCTION DEPARTMENT PERSONNEL

Question No. 1,845—**Mr. Lessard (Lake St. John):**

1. What was the number of personnel in the Department of Defence Production during each of the last five years?

2. How many persons left that department and how many have been hired during the same period?

Hon. C. M. Drury (Minister of Industry): 1. March 31, 1960, 1,467; March 31, 1961, 1,515; March 31, 1962, 1,555; March 31, 1963, 1,526; March 31, 1964, 1,639; August 31, 1964, 1829.

2.

	Terminations	Appointments
March 31, 1961	199	238
March 31, 1962	207	247
March 31, 1963	231	202
March 31, 1964	222	335
August 31, 1964	183	373

VETERANS PENSIONS

Question No. 1,857—**Mr. Lessard (Lake St. John):**

1. In each province, how many disabled veterans rely solely upon the pension paid by the government for all their needs?

2. In each province, how many veterans are receiving a pension for partial disability?

[Mr. Deschatelets.]

3. During the past five years, what amount did the federal government pay for veterans pensions in each of the ten provinces?

Hon. Roger Teillet (Minister of Veterans Affairs): Canadian pension commission: 1. Since the payment of disability pensions is made without regard to other earnings, there is no information as to the number of these pensioners who live solely on their pensions. Past experience indicates that the pensioners themselves would resent any effort to obtain this information.

2. Veterans receiving pension for partial disability as at March 31, 1964, by province. This includes all service disability pensioners other than those receiving pension at the rate of 100 per cent.

Province	Number
Newfoundland	1,547
Prince Edward Island	1,470
Nova Scotia	8,153
New Brunswick	5,556
Quebec	16,493
Ontario	50,014
Manitoba	11,359
Saskatchewan	6,237
Alberta	10,675
British Columbia	21,205

3. Amount paid by federal government for veterans pensions during the past five years, from April 1, 1959 to March 31, 1964.

Province	Amount
Newfoundland	$ 5,683,554.70
Prince Edward Island	8,418,134.09
Nova Scotia	47,208,443.63
New Brunswick	32,210,293.06
Quebec	91,437,230.11
Ontario	294,017,955.35
Manitoba	65,780,754.44
Saskatchewan	35,712,723.74
Alberta	59,335,924.30
British Columbia	120,647,742.67

*GEORGE M. MARSHALL, OFFICE OF MINISTER WITHOUT PORTFOLIO

Question No. 1,858—**Mr. Valade:**

1. Is the salary of Mr. George M. Marshall in the office of the Minister without Portfolio paid by the federal government and, if so (a) what are his duties (b) how long has he been so employed (c) what is his present salary?

2. Has Mr. Marshall been engaged recently in selling, vending, or otherwise distributing bumper stickers of a three maple leaf design and, if so (a) what proportion of his time has been spent on this venture (b) how long is it expected he will be required to undertake these duties?

3. Has the government considered the propriety of the action of a public servant engaging in such

a commercial enterprise and, if so, what are the government's views in this regard?

[*Translation*]

Hon. Yvon Dupuis (Minister without Portfolio): 1. There is no Mr. George M. Marshall in the office of the Minister without Portfolio.

2. Not applicable.

3. Not applicable.

[*Text*]

AIRPORT TAXI STRIP, RIVERS, MAN.

Question No. 1,867—**Mr. Dinsdale:**

1. What are the details of the tenders submitted recently for the contract to construct a taxi strip at the C.J.A.T.C., Rivers, Manitoba?
2. To whom was the contract awarded and for what reasons?
3. Which of the companies submitting tenders are entirely Canadian owned?
4. Which of the companies are subsidiaries of U.S.A. companies?
5. What was the cost estimate for the job?
6. What are the specifications for the contract?
7. Is the successful company meeting all these specifications?

Hon. C. M. Drury (Minister of Industry): 1. Three companies submitted tenders as follows: Tallman Construction Co. Ltd., Winnipeg, Manitoba, $66,887.90; Claydon Company Limited, Winnipeg, Manitoba, $90,655.80; Central Construction Co. Limited, Brandon, Manitoba, $93,512.95.

2. The contract was awarded to Tallman Construction Co. Ltd., the lowest tenderer.

3 and 4. According to the information available the companies concerned are Canadian owned.

5. The estimated cost was $83,700.

6. The specifications for the contract were excavation and rebuilding of an existing concrete apron, a new concrete apron and adjoining asphalt areas.

7. Yes.

FEDERAL CONTRIBUTION TO UNIVERSITY SERVICE OVERSEAS

Question No. 1,870—**Mr. Howe (Hamilton South):**

What has been the government contribution to the Canadian university service overseas in each of the last five years?

Hon. Paul Martin (Secretary of State for External Affairs): The Canadian university service overseas was established on June 6, 1961. Since then the Canadian government has extended administrative support and assistance both through the external aid office in Ottawa and through the diplomatic missions in the overseas countries where the C.U.S.O. volunteers have been assigned. This year the Canadian government has given additional assistance by providing the transportation from Canada to destinations abroad of all C.U.S.O. personnel proceeding overseas in 1964.

COST FIGURES FOR MACTAQUAC POWER DEVELOPMENT

Question No. 1,873—**Mr. Flemming (Victoria-Carleton):**

1. Has the Atlantic development board investigated the cost figures submitted to them by the New Brunswick electric power commission for the Mactaquac project on the St. John river and, if so, are they satisfied that the estimated cost figures are justified and confirmed by a reliable independent engineering firm with technical experience and of established reputation?
2. If not, what was the basis for the estimate submitted and on what engineering report was it based?

Hon. J. W. Pickersgill (Minister of Transport): 1. Yes to both parts of the question.

2. Answered in 1 above.

ADVERTISING REVENUE, STATION CJBC, TORONTO

Question No. 1,878—**Mr. Cowan:**

What was the division of the advertising revenue of radio station CJBC, Toronto in the months of May and August, 1964, between advertising in the French language and advertising in the English language?

Hon. Maurice Lamontagne (Secretary of State): I am advised by the Canadian Broadcasting Corporation that all advertising revenue of station CJBC for the months of May and August 1964 was from advertising in the English language.

MORAL RE-ARMAMENT ORGANIZATION

Question No. 1,879—**Mr. Herridge:**

Is there an organization known as Moral Re-Armament registered with the Department of National Revenue as a religious or charitable organization whose financial supporters are entitled to receive income tax exemptions and, if so (a) is this organization incorporated (b) what is its official address and the names of its officials (c) has a copy of its articles of incorporation been deposited with the Department of National Revenue?

Hon. E. J. Benson (Minister of National Revenue): (a), (b) and (c). The taxation division's records indicate that the Oxford group (Moral Re-Armament) in Canada (also known as the Oxford group and as Moral Re-Armament) was incorporated without share capital under the Dominion Companies' Act by letters patent in 1944 and amended by supplementary letters patent in 1956, the main purpose of which is stated to be "to advance the Christian religion".

It has been recognized as a charitable organization by the department since 1956, and

donors to the organization are entitled to deduct their donations from income for tax purposes.

The department's records show that Mr. Ian Rae is secretary treasurer of the Oxford group (Moral Re-Armament) in Canada, and its official address is 1303 Yonge street, room 37, Toronto 7, Ontario.

OXFORD GROUP ORGANIZATION

Question No. 1,880—**Mr. Herridge:**

Is there an organization known as the Oxford group registered with the Department of National Revenue as a religious or charitable organization whose financial supporters are entitled to receive income tax exemptions and, if so (a) is this organization incorporated (b) what is its official address and the names of its officers (c) has a copy of its articles of incorporation been deposited with the Department of National Revenue?

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The department's records show that Mr. Ian Rae is secretary treasurer of the Oxford group (Moral Re-Armament) in Canada, and its official address is 1303 Yonge street, room 37, Toronto 7, Ontario.

UNEMPLOYED BY AGE GROUPS

Question No. 1,888—**Mr. Howe (Hamilton South):**

Of those presently unemployed, what proportion is between (a) 15 and 24 years (b) 25 and 34 years (c) 35 and 44 years (d) 45 and 54 years (e) 55 and 65 years?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Unemployed in specified age groups expressed as a percentage of total unemployed, week ended July 18, 1964, Canada: 15 to 24 years, 51 per cent; 25 to 34 years, 14 per cent; 35 to 44 years, 12 per cent; 45 to 54 years, 12 per cent; 55 to 64 years, 8 per cent.

[Mr. Benson.]

U.S. REGULATIONS RESPECTING PESTICIDES

Question No. 1,891—**Mr. Orlikow:**

1. Has the government taken note of the action by the United States department of interior which has issued strict regulations limiting the use of long-lived pesticides such as D.D.T., chlordane, dieldrin and endrin on public land administered by that department and also has issued directives specifying that if chemicals must be used, priority be given to the use of non-persistent pesticides such as malathion, which do not retain their toxicity over extended periods?

2. Is the government considering issuing the same type of regulations in Canada?

Hon. Harry W. Hays (Minister of Agriculture): 1. Yes.

2. Government officials are examining all pest control programs with the object of confirming that they are being conducted in the most appropriate manner and to assure that every precaution is taken to guard against undesirable side effects such as those adversely affecting wildlife and fish.

JAPANESE MARKET FOR YUKON IRON ORE

Question No. 1,897—**Mr. Dinsdale:**

During the recent conversations in Tokyo, between representatives of the Canadian government and the Japanese government, was the prospect of a market in Japan for the rich Yukon iron ore deposits on the Snake river explored and, if so, what conclusions were reached and decisions made?

Hon. Mitchell Sharp (Minister of Trade and Commerce): The recent conversations in Tokyo, between ministers of the Canadian government and the Japanese government, did not involve the specific consideration of the prospect of a market in Japan for Snake river iron ore.

As stated by the honourable the Secretary of State for External Affairs in his report to the house on Tuesday, September 8, 1964, the ministerial committee is not a negotiating body. We did, however, discuss Canadian interests in the Japanese market, including sales of ores and more highly processed metals and minerals.

QUESTIONS PASSED AS ORDERS FOR RETURNS

ST. VINCENT DE PAUL PENITENTIARY

Question No. 1,641—**Mr. Orlikow:**

1. How many categories of cells are there at St. Vincent de Paul penitentiary and in each category how much time per day do the prisoners have to spend in their cells?

2. What are the accommodations in each category of cells—furniture, sanitary facilities, lighting and heating?

3. How many of these cells were declared improper for use by the Archambault commission and how many inmates are using such cells?

4. What are the plans of the Department of Justice to implement the recommendations of the Archambault commission?

5. How much money has been spent since the riot of 1962 on new buildings, and what are those buildings?

6. What is the daily ration of food allotted to each inmate?

7. How many people are employed in the penitentiary and (a) what are their classifications (b) what are the duties of each (c) what is the salary of each?

8. How many university graduates are employed full time and (a) what are their classifications (b) what are the duties of each (c) what is the salary of each?

9. How many vacant positions are there in this penitentiary at the present time and, in what classifications are these vacancies?

Return tabled.

SUPPORT PRICES FOR DAIRY PRODUCTS

Question No. 1,813—**Mr. Martineau:**

1. What subsidies or support prices have the government granted for butter and other dairy products in each year since 1939, indicating the amount of the subsidy and the total amount paid each year?

2. Since 1939, in what years have changes been made to the support prices or subsidies granted for butter, milk, cheese and powdered milk?

3. What has been, for each year, the total amount paid by the federal government in each province as a production subsidy or support price for each of the products above mentioned?

Return tabled.

CHARITABLE ORGANIZATIONS UNDER INCOME TAX ACT

Question No. 1,863—**Mr. Horner (Acadia):**

Has the Department of National Revenue a list of charitable organizations they use when administering the Income Tax Act and, if so (a) how many institutions are on the list and (b) what are their names?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motion No. 163 is acceptable to the government. I ask that motions 164 and 165 be allowed to stand.

Mr. Speaker: Is it agreed that motion 163 be carried?

Some hon. Members: Agreed.

WINNIPEG—IDENTICAL TENDERS FOR ELECTRICAL EQUIPMENT

Motion No. 163—**Mr. Knowles:**

That an order of the house do issue for a copy of any communications from the council of the city of Winnipeg, dated since August 31, 1964, concerning identical prices contained in tenders for the supply of certain items of electrical equipment by Canada Wire and Cable Company Limited, Canadian Westinghouse Company Limited, Phillips Electrical Company Limited, and Pirelli Cables Limited, received by the minister of justice, and for a copy of any replies thereto.

Motion agreed to.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. There are news commentaries in the press today of arrangements which have been announced by President Makarios with respect to the relaxation of tension on the island of Cyprus, and apparently certain confidential communications have been going on between representatives of the United Nations and President Makarios. I am wondering could the Secretary of State for External Affairs bring the house up to date, so far as it is possible for him to do so, on what discussions are going on at the moment.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend may perhaps recall that yesterday I referred to the announcement of the government of Cyprus with regard to the relaxation of restrictions in connection with the shipment of food to the Kokkina area. This has now been definitely confirmed, as my hon. friend's question indicates. This and other matters will be covered I believe in a statement that, it is expected, will be made today, though possibly not until tomorrow, by the secretary general dealing with the operations of the force.

Mr. Nowlan: As a supplementary question, will the statement to which the Secretary of State for External Affairs has made reference deal with the communications going on between the representatives of the UN and President Makarios?

Mr. Martin (Essex East): I believe so.

REPORTED STATEMENT RESPECTING NEW RUSSIAN WEAPON

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I should like to direct a question to the Minister of National Defence or perhaps the Secretary of State for External Affairs. It is based on a

statement made yesterday by Mr. Khrushchev that his military people showed him, I think last Monday, some new weapon that had the capacity to destroy all life on earth. Mr. Khrushchev is reported also as having said that he was amazed at the power of this new weapon. I should like to ask the minister if he can give the house any indication of the nature of this new, powerful destructive weapon, and if the NATO alliance is giving any consideration to what might happen to what is called the balance of power or balance of terror as a result of this announcement.

Hon. Paul Martin (Secretary of State for External Affairs): I read the story which appeared in this morning's newspapers concerning the statement attributed to Chairman Khrushchev and purportedly addressed by him to some Japanese parliamentarians. The statement is being examined, but beyond that I would not have any comment to make today.

LABOUR RELATIONS

MARITIME TRUSTEES—INVESTIGATION INTO DISMISSAL OF S.I.U. EMPLOYEE

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to ask the Minister of Labour whether he has received a request from a Mr. Kenneth Bryan of Port Arthur for an inquiry into his dismissal as an employee of the S.I.U. on the grounds that he refused to run for office in the forthcoming S.I.U. elections.

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker; this matter was brought to my attention earlier today by the hon. member for Fort William. My officials are in touch with the board of trustees, and the matter is under investigation.

Mr. Starr: Will the minister report back to the house concerning the action the board of trustees is prepared to take in this connection?

Mr. MacEachen: Yes, Mr. Speaker.

NATIONAL DEFENCE

LA MACAZA, QUE.—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to direct a question to the Acting Prime Minister. On Monday I asked the Prime Minister a question about the alleged brutality of R.C.A.F. guards at La Macaza in connection with a peace demonstration there, and the Prime Minister promised to look into the matter. Since that time a statement has been given to the press by a Miss Kathleen Moses of Niagara Falls, a student at Queen's University, in which she says:

> I was carried about 15 feet to the edge of the road. They began to swing me back and forth gently to throw me into the ditch and just as they let go I felt the kick directly between my legs. There was intense pain.

The statement goes on to state that one demonstrator was dragged by the hair, another had his fingers stamped on, and yet another was handled by a guard who put his fingers on pressure points behind the ears. Now that these statements have appeared in the press it seems to me that the request I made last Monday for a full investigation by some independent persons outside the Department of National Defence is completely justified, and I ask the Acting Prime Minister to tell us whether the government is now prepared to order such an investigation.

Hon. Paul Martin (Acting Prime Minister): The Prime Minister expressed his concern about this matter, and I should like to take this particular question today as notice. The matter is being looked into.

Mr. Douglas: A supplementary question. How soon may we expect some action in this regard? The incident took place some time ago. The Associate Minister of National Defence carried on an investigation which consisted mainly of getting in touch with the officer in charge of the station. It seems to me that if much time elapses the persons who might be available to give evidence may no longer be on hand, and I should like to ask the Acting Prime Minister how soon we may expect a decision from the government.

Mr. Martin (Essex East): I am taking this question as notice. It is difficult to say how soon, but there will be no undue delay.

DOMINION-PROVINCIAL RELATIONS

STATEMENT BY QUEBEC MINISTER RESPECTING CO-OPERATIVE FEDERALISM

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, the Prime Minister being absent, I should like to direct my question to the Minister of Justice, inasmuch as he is quite familiar with its subject matter.

Would the minister care to comment on the statement made yesterday by Mr. René Lévesque, the Quebec minister of national resources, to the effect that co-operative federalism could result in the painless abortion of the French Canadian nation?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, all I can say is that I hope with all my heart that the words of Mr. René Lévesque were inaccurately reported.

Mr. Caouette: A supplementary question, Mr. Speaker. Do the distinguished minds who advocate co-operative federalism, according to Mr. René Lévesque, include the hon. member for Drummond-Arthabaska (Mr. Pepin)?

[*Text*]

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I have a question I should like to direct to the Acting Prime Minister in that capacity as well as in his capacity as Secretary of State for External Affairs.

Mr. Martin (Essex East): Thanks very much.

Mr. Nesbitt: The question is this. Since August 20 last I have had a question on the order paper seeking information of a purely statistical nature and I am sure the statistics could be obtained within an hour or two. I would like to direct this question to the Acting Prime Minister. Just when can I expect an answer to this question? I am quite sure it could be answered within an hour.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, since it is argued the question could be answered within an hour, I will take a look at the question and see whether that is the case.

Mr. Nesbitt: A supplementary question, Mr. Speaker. The question, for the Acting Prime Minister's information, is No. 1,744.

Mr. Martin (Essex East): That is an historic date in history.

UNEMPLOYMENT INSURANCE

TORONTO, ONT.—DENIAL OF BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I wish to direct a question to the Minister of Labour. Is the minister yet in a position to make a statement regarding the eligibility for unemployment insurance benefits of the Toronto newspaper employees who are members of the international typographical union?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I understand that the insurance officer has ruled that the work stoppage has terminated, and that the first persons affected will be eligible for benefits.

Mr. T. C. Douglas (Burnaby-Coquitlam): To what date will these benefits be retroactive?

Mr. MacEachen: The date of termination of the work stoppage was September 7. I am not exactly sure as of what date payments will be made, but I will check for my hon. friend.

Mr. Douglas: Will they be paid back to September 7?

Mr. MacEachen: That is what I would like to check, Mr. Speaker.

HEALTH AND WELFARE

ASSISTANCE TO MEDICAL SCHOOLS AND MEDICAL RESEARCH

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. The complete urgency of this question is based on the fact that qualified applicants have been rejected by the score at Canadian medical schools; that the N.I.H. in the United States is gradually cutting down grants to medical research in Canada; and finally, that we are producing in Canada 50 more medical teachers each year when we need 200 more each year to maintain present medical standards.

Based on this urgency, I would ask the minister if she is about to announce a new policy of assistance to our medical schools and to medical research in Canada, apart from any considerations of the Hall report. Would she call a crash program or a crash policy to meet this apparent emergency?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, even if I were to declare that the government was going to put millions of dollars into building medical schools, it would be some eight years before the schools would produce doctors. But that is not the case. My hon. friend must realize that this matter has been dealt with in considerable detail in the report of the Hall commission; that it is

a realm which is primarily one of provincial responsibility; that it is one of our most urgent problems, namely that of providing new facilities in order that we may have more medical personnel for any increased medical services for the population.

It has been the subject of discussion not only in my department; this question was dealt with as recently as three days ago in a speech I made to the Nova Scotia medical association and in discussions I have had with them. It is not a matter that can be easily decided; because the amounts of money involved, it will be appreciated, are very great, since each new medical school starting from scratch would cost something in the nature of $15 million to $30 million. And it is a matter which must be considered within the whole ambit of the Hall commission report.

Mr. Grafftey: A supplementary question, Mr. Speaker. Does the hon. lady feel there are any specific recommendations in the Hall commission report that will meet this immediate emergency problem?

Miss LaMarsh: I refer my hon. friend to the report, Mr. Speaker. There is certainly a recommendation that some five or six medical schools be built in the immediate future. But, as the report points out and as I have just said, it takes some eight years from the time of the decision to build to the time that you can produce a doctor. There is no short cut, unhappily, to providing enough personnel.

Mr. Grafftey: I have a further supplementary question, Mr. Speaker. Apart from the building of medical schools, as I said in my question, since the N.I.H. in the United States is gradually cutting down grants to medical research in Canada as such, would the hon. lady be willing at this time to say whether the government will contemplate a new crash policy or program specifically relating to medical research as such?

Miss LaMarsh: Mr. Speaker, because of the decision of the United States government to discourage grants for research of any kind outside its borders in an attempt to conserve its dollars, obviously this country and others involved have had to restudy the question of grants and public support to medical research. It is very regrettable that in Canada wealthy individuals and institutions do not support such research to anything like the extent they do in the United States. It is also a clear cut fact that effective research is not just a matter of money. You do not necessarily get results because you put more dollars into research. This is something which we are considering as a whole package, and I must say to my hon. friend that while I appreciate the urgency of the matter in a general way, and appreciate his repeated and continuing interest in it, this matter will have to wait for an announcement on over-all government policy.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to ask a supplementary question.

Since the minister has just stated that building medical schools is a very expensive proposition and also that this was a matter of provincial jurisdiction, does she intend to recommend to the government that some sources of revenue be given back to the provinces to enable them to solve the urgent and very important problem of medical schools in Canada?

[*Text*]

Miss LaMarsh: Well, Mr. Speaker, what the provinces do with the revenue at their command is their responsibility. Whether they direct it to building facilities for higher education or put it into roads or other matters is a matter for them. But I did not say that the provision of new medical facilities is solely a provincial responsibility; I said it is primarily a provincial responsibility. However, it seems to me that we are now talking about a natural resource, the provision of higher education in order that the people's health shall be well protected, and that is a matter which will require the highest degree of co-operative federalism.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

Is the minister implying that the federal government might interfere in the field of education with respect to medical schools in Canada?

[*Text*]

FINANCE

REMOVAL OF SALES TAX ON BUILDING MATERIALS AND EQUIPMENT

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of Finance.

Could he tell the house if consideration will be given to the request made by the house builders association of the district of Montreal, which is also that of every Canadian, concerning the removal of the sales tax on building materials which will soon reach 11 per cent?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I seem to have had this question to deal with before. My recollection is that in the first six months of this year the number of houses completed in communities of 5,000 or more was some 44 per cent higher than last year, and that as of June, 1964 the number of houses under construction was some 7 per cent greater than the corresponding number the year previous. In the circumstances I think any suggestion that the tax policy of the government has done anything to slow down the economy or to slow down activity in the house building industry is completely exaggerated.

[*Translation*]

Mr. Laprise: Mr. Speaker, a supplementary question arising out of the answer given by the Minister of Finance in reply to the question I asked a moment ago.

Is the Minister of Finance aware of the fact that from January 1, 1964 to July 31, 1964, 3,902 new houses were built in the Montreal area compared to 4,244 the previous year, a decrease of 8.1 per cent?

[*Text*]

Mr. Gordon: In a matter of this kind, Mr. Speaker, it is hardly possible to devise legislation that will ensure an increase in any particular field in every centre in Canada. The statistics I quoted were for the country as a whole. As far as Montreal is concerned, I think everybody knows there is a great construction boom going on in that city, and that it will continue for a considerable time. There is less unemployment there than there has been for years, and Montreal is pretty prosperous.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance.

Since he practically stated that this 11 per cent tax has brought about this economic recovery in the house building field, would the minister consider the advisability of increasing this tax to 22 per cent so that Canada might enjoy a greater prosperity?

[*Text*]

Mr. Gordon: I think that would be a most unwise course to take, Mr. Speaker.

EDUCATION

STUDENT LOANS—DESIGNATION OF CREDIT UNIONS UNDER ACT

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, while I am on my feet perhaps I might be permitted to answer a question which was put to me by the hon. member for Moose Mountain in connection with a letter dated September 10 from the credit union league of Saskatchewan. This letter was received on the 14th, Monday, and will be answered today. I should like to assure the hon. member that there have been no unnecessary delays in dealing with the applications of credit unions.

The student loans act stipulates that, in addition to chartered banks, lenders shall include credit unions, caisses populaires or other co-operative credit societies which are designated by the Minister of Finance following formal application by them. For this purpose it is necessary for the credit unions concerned to provide adequate information concerning their organization and operations. Before individual credit unions are designated they should, of course, be fully familiar with the requirements and procedures of the act and regulations and satisfy themselves that they have the resources to provide loans to students.

Detailed information and documentation concerning the Canada student loans plan have been forwarded as soon as possible to all credit unions which have written to me. Full particulars from some applicant credit unions have begun to reach the department this week, and their requests to be designated will be acted upon promptly.

AGRICULTURE

COMMITTEE CONSIDERATION OF EASTERN FEED GRAIN SITUATION

On the orders of the day:

[*Translation*]

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

Since the minister stated on several occasions that he was waiting for the agriculture and colonization committee to announce a new feed grain policy and since the com-

mittee interrupted its sittings in December 1963 and never resumed them, does the minister intend to have the committee take up its work on feed grain as soon as possible?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I met the chairman of the committee this morning and he told me that the steering committee of the agriculture and colonization committee will meet Tuesday with a view to resuming its work on the feed grain question.

[*Text*]

NATIONAL DEFENCE

ARMAMENT OF EUROPEAN AIR DIVISION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the Minister of National Defence if that portion of the Canadian air division stationed in France has yet been equipped with any armament, conventional or nuclear.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, if the hon. gentleman is referring to the squadrons at Marville, they have been partially equipped with the reconnaissance equipment that is designated for them. They have commenced training, but they have not been declared fully operational units yet.

Mr. Churchill: Mr. Speaker, I have a supplementary to my earlier question concerning the part of the air division stationed in France. I was asking about fighting armament, not reconnaissance equipment. Do I understand from the minister that these planes are not equipped to fight with either conventional or nuclear weapons?

Mr. Hellyer: Mr. Speaker, their primary role, as the hon. gentleman undoubtedly knows, is reconnaissance. Their secondary role is non-nuclear ground support. The plans to provide armament for the secondary role are going forward, but they are not yet complete.

Mr. Churchill: I wonder whether I could ask the Secretary of State for External Affairs if it is right and diplomatic for him to find fault with the NATO military organization, when Canada is not fulfilling her part of the agreement with our NATO allies to provide an air division equipped to fight with weapons and not with photographic equipment?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the two parts of my hon. friend's question have no logical relationship, of course, and on that account it is not easy to make the kind of response that one would like to make. I would simply say that it is open to any member of the alliance, in the interests of the alliance, to give consideration to ways of improving the alliance. That Canada is doing, as are other members.

Mr. Churchill: Am I wrong, or were the television and radio reports incorrect when they stated that the Secretary of State for External Affairs was critical of the NATO organization with regard to consultation on military matters amongst the allies?

Mr. Martin (Essex East): I have not listened to these reports. If my hon. friend asks, was he wrong, my immediate reaction is to say of course he was wrong. However, I should like to have a more precise statement of the question before I say in this instance that the hon. member is incorrect.

Mr. Churchill: I was not suggesting I was wrong. I was asking the minister if the radio and television reports were incorrect, indicating that the minister was very critical of our NATO allies and that the military organization was unsound.

Mr. Martin (Essex East): My hon. friend is paraphrasing now. One would almost be tempted to suggest he should join the Canadian Broadcasting Corporation.

Mr. Churchill: It would be an improvement.

Mr. Martin (Essex East): I would think, in that event, that the television audience would be a very limited one.

Mr. Eric A. Winkler (Grey-Bruce): I have a supplementary question for the Minister of National Defence. I should like to ask the minister if the planes to which he refers as being currently located in France are the same type as those located in other parts of Europe, and included in the same force. I should like a clearer answer than that which we got from the minister of external affairs.

Mr. Hellyer: The planes in all three wings are CF-104 Starfighters. The six squadrons in Germany have a primary strike role and the two squadrons in France have a primary role in reconnaissance. This was all part of the original commitment. If when the administration of the hon. gentleman was in office a decision had been taken to redeploy the planes in accordance with the original intention, then by now all the armament could

have been in place. However, in view of the fact that a decision was not taken then but was left to be made after the administration changed, we have certain administrative requirements in order to fulfil our commitment.

Hon. Paul Martineau (Pontiac-Témiscamingue): May I ask a supplementary question. I wonder if at the same time the minister would not investigate the charges that have just been made by the hon. member for Vancouver Quadra to the effect that the department of defence is the kremlin of Canadian bureaucracy, and particularly those charges dealing with the command station at Carp, which he compared to a fabulous executive suite.

Mr. Hellyer: I suspect that the views expressed by the hon. gentleman were personal views.

REDUCTION IN UNIVERSITY NAVAL TRAINING UNITS

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): While I have the floor, Mr. Speaker, I should like to reply to a question raised on Monday last by the hon. member for Queens (Mr. MacLean) with respect to the closing down of certain Royal Canadian Navy university training units. In reply I told the hon. member that since this related to a general reorganization of all university training units I would give a full explanation later in the week.

As hon. members will recall, during the course of the debate on the estimates of the Department of National Defence in December of last year I stated that it was intended to reduce expenditures on the university reserves training plan by 50 per cent. Since that time detailed studies have been made within the department and, in consultation with the national conference of Canadian universities and colleges, it has been decided that university training will be done on an integrated basis with only one integrated unit at each university where training is conducted. Theoretical training will be based on the syllabus of the Canadian service colleges. Practical training will be given by the individual services. The implementation of this plan, however, is related to the integration of national defence headquarters and the development of the appropriate administrative procedures. In consequence it will not be practical to reorganize units on an integrated basis before September, 1965.

In the meantime, in order to effect the necessary economies to which I referred last December, certain steps have been taken by the three individual services. In so far as the Royal Canadian Navy is concerned, it has been decided to close eight units at the following universities: University of Alberta, University of Western Ontario, l'université de Sherbrooke, Bishop's University, Ontario Agricultural College, Mount Allison University, St. Francis Xavier, Acadia University and St. Dunstan's University. In so far as the army and air force are concerned, the existing units will be maintained but strengths will be reduced.

In arriving at this decision the individual needs of each service have been considered. The Royal Canadian Navy, because of the reorganization of the Royal Canadian naval reserves, considered that it was not economically feasible to retain training units whose graduates cannot be absorbed into the active list of the parent Royal Canadian naval reserve divisions. With this as a general criterion, all U.N.T.D. units have been assessed on the basis of proximity to associated reserve divisions, enrolment patterns and efficiency. The army, despite the planned reduction in the militia, can absorb the officers from the C.O.T.C. and, because of the dispersion of the militia, geographical considerations are not too important. The R.C.A.F. elected to have smaller intakes and strengths in the university reserve training plan in order to retain their representation and still bring about the necessary economies.

The hon. member for Queens (Mr. MacLean) asked whether representatives were heard from the universities concerned. In reply I can say that from the outset the department consulted the national conference of Canadian universities and colleges requesting their assistance and advice. The national conference of Canadian universities and colleges was provided with information as plans were developed. Representatives of this organization also met with myself and departmental representatives and their advice and opinions, based on information obtained by them from the universities, was welcomed and suggested changes were made to the extent compatible with budget limitations.

Hon. Marcel Lambert (Edmonton West): A supplementary question, Mr. Speaker. The minister referred to the University of Alberta. He meant the University of Alberta at Calgary, did he not?

Mr. Hellyer: That is correct.

Inquiries of the Ministry

HOUSE OF COMMONS

INQUIRY AS TO HOLIDAYS FOR STAFF

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the President of the Privy Council if he has anything further to say regarding the consideration being given to holidays for the House of Commons staff?

Hon. G. J. McIlraith (President of the Privy Council): Well, Mr. Speaker, this matter was discussed at the meeting of the commissioners of internal economy on Monday last. It is a matter for His Honour the Speaker; therefore perhaps it is not proper for me to answer. I must not do that. I think, to relieve the interest of hon. members, I should add that it has been dealt with and some of the staff have already started holidays.

AIR TRANSPORT

REQUEST FOR REPORT ON CRASH OF T.C.A. PLANE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Minister of Transport whether he has received a report on the unfortunate crash of a T.C.A. DC-8 some months ago near Montreal. If he has received the report will it be made public, and what action does he propose taking in the light of that report?

Hon. J. W. Pickersgill (Minister of Transport): I have this week received a preliminary report. I indicated to the house on July 15—and this will be found on pages 5503 and 5504 of *Hansard* when I was replying to a question by the hon. member for Three Rivers—that when the investigation then under way was completed the findings would come to me as Minister of Transport. I would then have the responsibility of deciding whether a board of inquiry was to be convened at which the findings in this case would be presented at a public hearing. If such a board were convened, it would not consist of persons who were in the employ of the Department of Transport or T.C.A.

I am giving most urgent consideration to the question of whether there should be a public inquiry, and just as soon as I can reach a conclusion and confer with my colleagues about it, I will make an announcement to the house. I feel that until that decision has been made it would be unwise, and not really in the interests of those we have so much in mind, to make a preliminary report public.

[Mr. Hellyer.]

Mr. Douglas: May I ask a supplementary question. Would the minister care to indicate whether there is any indication of sabotage involved or is this something he does not want to disclose until he has decided about an inquiry?

Mr. Pickersgill: Perhaps in view of the nature of that particular question and the fact that I should like to be very frank in my reply, my answer is that there is no such evidence.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed, from Tuesday, September 15, consideration in committee on the following resolution—Mr. Hays—Mr. Lamoureux in the chair.

That it is expedient to introduce a measure to provide for the extension of credit to farm machinery syndicates for the purchase of farm machinery and for the terms and conditions of such loans, the amount of a loan not to exceed 80 per cent of the actual price to the farm machinery syndicate of the farm machinery to be purchased with the loan; and to provide also for the establishment in the consolidated revenue fund of a special account not to exceed $25,000,000 to which shall be charged advances made to the Farm Credit Corporation and to which shall be credited all moneys paid to the Receiver General by the corporation and for other financial provisions in relation to the said fund in connection with the administration of the measure.

Mr. Horner (Acadia): Mr. Chairman, in rising to continue my remarks on this resolution I might say, in summarizing my remarks last evening, that I had a certain fear this measure would bring about further erosion of the principle which we established in connection with farm credit in 1960. This principle has become well established and has been widely accepted and acclaimed by farm unions throughout Canada. The principle of which I speak was enunciated in the legislation, and clearly stated that the legislation was to aid those who needed aid, while those who were already on an economic unit or had sufficient capital could not obtain a loan from the Farm Credit Corporation.

I feel I should express some of the fears I have, before the bill is presented to us. We hear much talk about the reduction in the number of farms. A few years ago there were something like 600,000 farms in Canada but today there are only 480,000. From time to time economists and agricultural professors have said the sooner the small farmer was done away with the better it

would be, but I disagree with that theory. I believe there is ample room in Canadian agriculture for the small and big farmer alike. There is enough diversification to make room for all types of farmers.

Parliament should be concerned with helping those who need help most, in other words the small farmers, who should be assisted to diversify and intensify their operations. Parliament should not be concerned with helping the large farmers commercialize and go into vertical integration. A few years ago this was the fear being expressed in farm papers and magazines. They all carried articles and editorials saying we must do something about vertical integration. On the other hand, there was and still is a great deal of talk in farm journals about maintaining the family farm.

I want the minister to tell us what this legislation will do. Will it speed up vertical integration, or will it sustain and aid the family farm? The policy of all parties has been to assist the family farm, and I ask how does this legislation help it? I fear it will do more good for vertical integration and for those who want to promote vertical integration than it will for the family farm. One of the few things the farmer treasures and is prepared to work for is his independence, but with vertical integration the very root of his independence is taken away.

This resolution speaks about the establishment of farm machinery syndicates. Why not call them farm machinery integrated farms? I strongly suspect that this legislation will do nothing for the family farm but will promote vertical integration.

It may be asked how can I, a farmer, be against putting more money into the hands of farmers. This legislation with one hand will do that, but as a legislator I must examine where, how, and to what farmers this money will be given. It is my duty to ask myself will this promote and aid my neighbours and the farmers in my constituency, or will it aid and promote big business? Will it aid and encourage the part time farmer? I greatly fear it will. Will this legislation aid the lawyers, doctors, dentists and all those types of people who are buying farms and going into the agriculture business? I fear it may. We farmers are proud of one thing, our independence. We make up our own minds where and when to buy and when to sell, but integration takes this away.

This measure will assist in the effort to reduce machinery costs. A few years ago we heard much about the cost-price squeeze, and this squeeze is just as evident today as it was then, in fact more so. In the middle 1950's the farmers were caught in a drastic cost-price squeeze, but due to a great deal of work done by this party when it formed the government, between 1958 and 1962, that problem was alleviated to some degree. I have here a newspaper clipping dealing with the farmers' cost index, showing that their costs rose to a high of 282 points in April last. Two or three years ago the index stood at about 242 points; thus it has risen some 40 points in the last few years.

A publication issued by the dominion bureau of statistics in July, dealing with the index of farm prices, showed that the price index for all Canada was down to 252 points. A year ago it was 271, and two years ago it was 281. In this situation the farmers again face the severe crisis they were in a few years ago, and I ask what will this legislation do to alleviate that problem.

When the Minister of Agriculture spoke in Lethbridge on April 11 last he talked about parliament and how the opposition was filibustering at that time. According to the government, filibustering is all the opposition does. Whenever anybody on the opposition benches makes a speech, according to the government he is filibustering; but today, so that I may set the record straight, I am expressing my fears with regard to this proposed legislation.

At Lethbridge the minister dealt with many matters, and subsequently the Lethbridge *Herald* carried an editorial entitled "The Farmers Wait". The minister dealt with the three important measures he intended to place before parliament, and the editorial said:

> Most important of the three, according to Mr. Hays, is a measure to deal with the high cost of capitalizing a modern-day farming operation. The machinery necessary for good farming is so expensive that it seriously affects the degree of good farming. Exactly what he proposes to do about it Mr. Hays does not say, because the government is expected to save its policy announcements for the House of Commons. But he does promise that his bill would vastly change the agricultural economy.

How will this measure change the agricultural economy? According to the minister it will change it vastly, but I ask in what direction? Is it going to promote vertical integration? Is this the way the minister is going to change it? I suggest this measure will speed up vertical integration and I see nothing in

the resolution, or in the statement the minister made yesterday, that allays my fears.

The minister has introduced three pieces of legislation dealing with agriculture. The first provided more credit through the Farm Credit Corporation, which was necessary, but to some extent the enlargement of the loans brought about a slight erosion of the principles inherent in that legislation. Then earlier this week he introduced a measure to increase the maximum loan under the Farm Improvement Loans Act from $7,500 to $15,000. That was a further enlargement of credit. I say this is one more step in a millionaire's approach to agricultural problems in Canada today. Is it a correct step? Does the minister have the interests of the small farmer in mind. More money, he says, will solve all problems. I sometimes fear it may promote the takeover by large operators and crowd the smaller ones out all the more rapidly. This is what is happening today in many areas.

When I read the expression "farm machinery syndicates" many questions come to my mind. Does this mean that a co-operative farm can apply for and obtain a loan? Does it mean that Hutterite colonies in Alberta can obtain loans under this legislation? We know that the Alberta government has promoted such colonies for the past number of years. The former provincial treasurer was involved in many deals, selling land to them. Now the Minister of Agriculture himself is to promote the development of these colonies by making money available to them for the purchase of farm machinery because, I suppose these colonies could well qualify under the government's definition of a syndicate. These are some of the questions I should like to have answered.

The minister said yesterday, or on a previous occasion, that he thought this legislation would help in the purchase of tractors, combines and other expensive equipment which many small operators could not afford to buy. He is out of touch with the times. Custom work on farms in Canada is a diminishing thing. Back in the early forties when combines were new, custom work was a common thing in the fall. Today one sees very little of it. Most farmers feel that in view of the unsettled weather conditions in western Canada they must own their own combines and get in their crops as quickly as possible because their livelihood, their profit for the year, depends on doing so.

The minister made a speech some time ago in Carstairs, or another town in a prosperous district in Alberta, in which he set out his farming experience. He told his audience all about his old farm tractor, what a great friend it had been to him and how it had taken him through many a difficult spot in his economic progress. Is the hon. gentleman now suggesting that farmers should get out and buy bigger and better tractors although he said, in that particular speech, that farmers were overbuying machinery? Today apparently he thinks the machinery they have is not big enough. What a reversal. I wonder what he really thinks.

I fail to see how this bill will really help to expand the purchase of combines or tractors. I say this because most farmers have bought, and will continue to buy, their own tractors. If we look at the money spent on farm machinery in any year, we find that 50 per cent of it is spent on tractors, 20 per cent on harvesters and harvest equipment, 10 per cent on seeding equipment, and the remaining 10 per cent on the other items which are necessary to a modern farmer. The minister feels there is a need to revolutionize the agricultural economy. I have here a newspaper clipping containing the minister's prognostications with regard to the industry. This is what he said shortly after taking over his present portfolio. This was in the summer of 1963, and the heading of this article reads "Hays calls for less wheat; says machinery prices too high." He told his audience:

> I would be irresponsible if I didn't urge farmers to examine the question of wheat output on a long term basis.

He urged them to cut down wheat production. Well, he was proven wrong in his prognostication, because 1963 was a very good year in which to grow wheat. But the minister also had this to say about the livestock industry. The report says:

> He called on western farmers to diversify and grow more forage crops and feed grains. There is 'evidence of optimism' in the beef markets, he said.

Where is that optimism today? What has happened to the beef industry, and what action has the minister taken with regard to this vital branch of agriculture in Canada?

Everybody associated with the sittings of the committee on agriculture in 1961 realizes that the sale of agricultural equipment depends to a great extent on the prices the farmers receive for their commodities. The committee did a great deal of valuable work, and some of its findings are extremely interesting.

I am sure a number of hon. members were surprised by some of the findings reported by the committee. It was pointed out, for example, by those who appeared for the machinery companies that those companies were enlarging their interest in the financial field. Every one of them was now promoting long term loans to farmers in connection with equipment sales. The committee was told that the proportion of such sales was as high as 9.5 per cent in the case of one particular company.

To whom were these companies lending money? They were lending it to farmers who could not obtain credit under the terms of the Farm Improvement Loans Act; to people who were considered poor risks, and who had not improved their ratings with the ordinary credit business houses. So they were paying the extra 4½ per cent interest to the companies and were still able to buy their equipment on credit.

Other interesting evidence brought before the committee had to do with the cost of the farm machinery distribution system. The inefficiency of this system is responsible for a terrific proportion of the cost of farm machinery in this country, and I think the government should take a close look at what is happening. It was found in 1937, when this farm machinery problem came up for examination, that the distribution system was extremely costly. What has been done from 1937 to the present day to improve it? It is still a costly system.

The companies have brought in the concept of dealership. This may have resulted in better service for some areas, but has it lowered prices? I suggest the minister should take a look at this system to see whether a reduction in machinery prices could be brought about by instituting something better. Take Massey-Ferguson for example. They buy their largest tractor from Minneapolis-Moline in the United States. They charge a mark-up of something like 30 per cent just for selling it through their dealer system. Then the dealer himself takes another 30 per cent for selling it. Thus the actual cost of a machine may be $3,000. Massey-Ferguson takes $1,000 for selling it through the company's system and the dealer takes another $1,200 or $1,300 for his part in the transaction. So the farmer has to pay $5,000 or $6,000. Of course these figures would apply a few years ago; today the same tractor would cost something like $7,500.

This is a situation which should be looked into. What is the practice followed by Massey-Ferguson in the United States? They do not have an agreement with Minneapolis-Moline to sell their biggest tractor in the United States; it is only sold in Canada. In the United States, Massey-Ferguson, buys its largest tractor from the Oliver company and sells it in the United States, taking the same double mark up.

All this was made clear in the evidence given before the committee. All the companies do this. Cockshutt International does it. Cockshutt imported a three cylinder deisel from Italy at a fixed rate. They took a 30 per cent mark up for selling it through their distribution system.

What does such a system consist of? It is a bunch of dealers trying to make a nickel across Canada. They took advantage of having a group of dealers linked together to charge a mark-up on that tractor. Then of course the dealer takes his own percentage, another 20 per cent or 30 per cent depending on the cost of the machine. This represents a double mark-up on many agricultural machines imported into Canada and sold in this country. I point this out with regard to tractors, Mr. Chairman, because 50 per cent of the money spent on farm machinery is spent on tractors. Most of the money spent on tractors is spent on large tractors, and one of the biggest sellers in Canada, Massey-Ferguson, are putting a double mark-up on the tractors they are selling.

Mr. Chairman, you and many members might ask "How is this possible?" In the inquiry concerning machinery, company after company pointed out that the costs of producing machines do not set their prices; they charge all the market will bear. In other words, if they feel they can increase the price of tractors and still keep up their sales, they will do so. It became evident, to me at least, that the machinery industry adopted the practice of following the price leader. One particular company which had the largest sales in Canada was the price leader, and when they increased their prices the rest followed along behind.

Certainly this whole distribution system should be looked at very closely. How will this bill bring about reduced costs, in view of what I have said? It will have no effect whatsoever. It will just aid syndicates in the purchase of this high cost machinery. The resolution sets out that the loan shall not exceed 80 per cent of the actual price of the machine. All one has to do is go to a dealer and say "We want to buy the largest tractor you have. We will give you 80 per cent in cash. Your

mark-up is 25 per cent. You take off the 20 per cent, and it still leaves you with 5 per cent clear profit for handling the paper work". The syndicate puts up no money at all as a down payment. This is one way in which you can get around this proposed legislation.

There are many questions I would like to ask in this connection. One is, what is "machinery"? What does the minister mean by "farm machinery"? There are a number of farm implements that I think should be classified as farm machinery and on which Canadian farmers are still paying duty. Last evening I mentioned the cattle feeding industry. The hog feeding industry is another example. It is certainly becoming highly mechanized, and is a prominent industry in the agricultural field in Canada. Most of the self-feeding equipment that is brought into Canada from the United States carries a duty of 22½ per cent. Is the minister seriously considering bringing down the cost of machinery? If he is, why does he not take off this 22½ per cent duty which applies to much of the self-feeding equipment that is now being used in the feeding industry generally in agriculture?

I take the dairy industry, for example. This is a big industry in Ontario and in Quebec. There is duty on much of the dairy equipment, even down to stainless steel milk pails and stainless steel cans. The duty on both these items is 20 per cent. What is the purpose of this duty? Is the minister seriously trying to bring about a reduction in the cost of farm machinery, or is he trying to enhance the image of the minister himself across the country by bringing in this syndicate legislation?

The Chairman: Order. The hon. member's time has expired. Does he have the unanimous consent of the committee to continue beyond his time?

Some hon. Members: Agreed.

Mr. Hays: May I just say a word here, Mr. Chairman. I have listened with a great deal of interest to the hon. member for Acadia and to the hon. member for Rosthern. If the committee would consider passing the resolution, I would be glad at the next stage of this legislation to deal with all the questions that have been asked. I think they could be taken care of at that time. It seems to me, if I may be really frank, that when hon. members see the bill they will be a bit embarrassed by some of the statements they have made. I would not like this to happen to such fine fellows as the hon. member for Acadia, for example. If we could do this I am sure it would be a great assistance. I must remind hon. members that as recently as August 26 the Leader of the Opposition said:

> So there will be no misunderstanding I say to the minister at once, put this resolution on the order paper and it will receive immediate attention, if he is so concerned about the farmers. Will you do that?

It is here, and it seems to me we can deal with these questions in the examination of the bill. Then hon. members could assess it and speak much more intelligently about it than when they are just guessing as to what might be in the bill.

Mr. Skoreyko: Mr. Chairman, the minister said a moment ago that some of the questions that had been posed would be answered later if the resolution is passed now. Does the minister not intend to answer the questions before the resolution is passed?

Mr. Hays: Mr. Chairman, I think the questions that have been raised are pretty well all answered in the bill. If there are others that are not answered, I would certainly be very pleased to reply to those questions.

The Chairman: Order. Does the hon. member have leave to continue beyond his time? Of course he has the opportunity to speak again, but if he is just continuing his remarks I would point out that there are other hon. members who wish to take part in the debate. Has the hon. member leave to continue at this time?

Some hon. Members: Agreed.

The Chairman: The hon. member for Acadia.

Mr. Horner (Acadia): Thank you, Mr. Chairman. I have just a few brief remarks to make, and I will take the risk of being embarrassed by the minister when he brings in the bill. I was wondering about certain types of machinery and whether they would qualify for syndicate buying, if I may use that term. I have in mind something that could be of benefit to a number of farmers in the foothills country, for example. I refer to brush clearing equipment. With regard to my own area, perhaps large grass seeding equipment could be purchased; perhaps large portable grain mills. I wonder whether portable grain dryers would be included. This equipment would have been put to great use if the wet weather had continued on the prairies. Also, would portable grain cleaning equipment and seed cleaning equipment be in-

cluded? In other words, would a farmer and his neighbours be permitted to buy this type of equipment under this legislation?

I would like to ask the minister this question. Could a group of farmers set up a cattle feeding co-operative and borrow something like $75,000, as was suggested by the hon. member for Medicine Hat, for equipping a cattle feeding operation, a hog feeding operation, a turkey feeding operation, or an operation of a similar type? Could a syndicate buy this type of machinery duty free, if any duty applied to it? Much of the duty that does apply to machines used on farms involves machines that have a dual purpose, which are agricultural in some aspects and commercial in others.

As I understand the interpretation of this proposed legislation, it is intended to promote commercial ventures, custom work, and so on. If a person was going into the grain drying business, could he buy the grain dryer duty free, for example; or could he buy seed cleaning equipment, grain mills, brush clearing equipment and grass seeding equipment duty free? If duty does apply to this machinery, could it be bought duty free? If it could, approximately 22 per cent would be saved in regard to most of this machinery. This is certainly well worth considering, because 22 per cent of the cost of the high priced machinery used in today's agricultural economy represents a great deal of money.

I have another question that I would ask the minister. In my part of the country during the past year we experienced a great water shortage. P.F.R.A. did a tremendous job in pumping water to the livestock of many farmers. Could farmers' co-ops be set up through which farmers would be able to purchase their own pipe? This would be of some benefit in the drier parts of Alberta. In many areas throughout the southern part of Alberta farmers have gone into the business of hauling water and have bought trucks for this purpose to haul water for their livestock. Could such equipment be bought on a syndicated or co-operative basis? One would wonder whether many other pieces of equipment—I am sure many hon. members have a number of pieces of equipment in their minds—will qualify under this legislation.

I should also like to see the minister take an active interest in the price of farmers' commodities. Some time ago the turkey producers were alarmed at the removal of quotas on turkeys from the United States coming into Canada. It seems to me that the minister shrugged this off rather lightly, and said in effect; "Everything is all right in the industry. You fellows will have to take a few cents less but don't worry about it. You can eat your own turkeys, I guess, if you get really hungry". That was the sort of attitude he had.

The lamb industry, which at times is a flourishing one in southern Alberta, has suffered a severe drop in price of eight cents a pound over the last six months. Has the minister paid attention to this problem and what is he prepared to do about it?

With regard to the beef industry, I mentioned some time ago that the minister pointed out last year that this was one part of the agricultural economy where optimism was evident. However this has certainly not shown to be the case this year, in fact even in the fall of 1963. Prices and optimism in the beef industry are at an all time low, at least since the last ten years. I have never seen the industry look at its future so dismally. Some months ago I asked the Minister of Agriculture what he proposed to do about the red meat embargo placed on Canadian red meat entering the United States. I asked him twice as a matter of fact, but he never got around to giving me an answer. Perhaps the minister could make a more direct and interested appraisal of the price aspect of the agricultural economy so that the farmers can buy and pay for machinery to enable them to become more efficient.

There are just two or three recommendations which I should like to place on record regarding the manufacturing industry, particularly that part of it engaged in farm machinery manufacture. During the study of this question by the agriculture committee in 1961 I had some points brought home to me with regard to dealers being able to return spare parts which they no longer required. Actually companies do allow for return of parts. They have what they call a parts returnable list; but if a particular part is no longer saleable you can rest assured, Mr. Chairman, that it is not on the returnable list. Therefore this increases the overhead and the dealers' costs. Dealers should be able to return all parts to the manufacturer, and the amount of money paid for them should be refunded. That would lower the cost of handling spare parts and eventually lower the cost to the farmer. Dealers should also be able to stock the cheapest part for any particular machine whether or not the part be made by the company with which he has a dealership. I think it was pointed out time and again in the agricultural committee that

every company had a different price for the same sort of bearing. A dealer should be able to stock or buy from the manufacturer the same bearing at the cheapest price.

There must also be more standardization. Time and again in the agricultural committee evidence was submitted that not enough was done by the machine companies to standardize their equipment. In fact it is obvious to many farmers that machine companies go out of their way to make their parts just a little different from the parts of other manufacturers so that other parts cannot be used on their machines. Companies such as Hydraulic Couplers, and many more companies who manufacture repair parts, could in this way bring about a greater reduction in cost of spare parts and repairs to machinery to the benefit of the farmers.

I think the whole matter of dealership contracts should be examined by the combines investigation branch or the whole question referred, as I suggested last evening, to the agricultural committee. The whole distribution system of agricultural machinery should be given close examination. Actually in the 1960-61 inquiry the committee dealt more with the cost of production than with the distribution system. Canadian Co-operative Implements Limited, for example, which had brought in and innovated a new distributing system, was not even heard from during the committee inquiry, and I think this whole question should be dealt with once again. This method of syndicated buying which the government is now promoting could be examined by the agricultural committee to see whether or not it would promote vertical integration or the family farm. It appears obvious to me—I do not want to be embarrassed but, as I said, I run the risk of being embarrassed—that in promoting this resolution the government is sponsoring the virtual take-over of farming in Canada. It has discarded and done away with the principle every political party has stood for hitherto, namely the promotion and maintenance of the family farm. It is just one more manifestation of the millionaire's approach to the agricultural problems in Canada today.

Mr. Peters: I really had not intended to take part in this discussion of the resolution before the committee, until I heard the minister inform us that there was no point in anybody speaking on the resolution because all the answers were contained in the bill. That in itself would make me, as one who believes in democracy and parliamentary procedure and who has some respect for those institutions, rise from my seat and loudly complain that the minister already knows what is in the bill, that this resolution is only window dressing, and that although he will get some very good ideas from members of parliament he will give no consideration to them. This in effect is direction of legislation at its worst, because I presume that this bill in particular will follow, not the wishes of the cabinet or the farm organizations, but rather the inclination of the minister himself. Therefore I strongly protest, Mr. Chairman, at the minister's admitting publicly that he has no use for our parliamentary traditions, which ask the government to present a resolution when any legislation involving major expenditure is required. He may not agree that these resolutions serve any purpose, and I realize that the Liberal government are seeing less and less use in them, but I think it is shocking when a minister gets up and says, in effect: "Get on with the bill; I already have the particulars in it, this is only window dressing".

Mr. Hays: Mr. Chairman, on a point of order, I did suggest that when the committee had dealt with the resolution the crop insurance bill would immediately follow this bill, at which time there would be ample opportunity to discuss agriculture in all its facets. I was merely suggesting that if the resolution were passed hon. members would have the opportunity to look at the bill. The crop insurance resolution will immediately follow passage of this resolution dealing with farm machinery syndicates.

Mr. Peters: Well, Mr. Chairman, I accept the minister's explanation, which is not what I interpreted from his original remarks. However, as I say, I accept what the minister says in its inclination. This was not clear to me from the previous explanation. I think that the minister, every farm organization in Canada and every member of parliament who has given any consideration to the farm problem at all will know that one of the major problems that Canada's farmers face is the increase in the cost of the machinery they require to conduct their agricultural operations. I think this fact is reconized by everyone. I believe anyone who really gives consideration to the problem of the high cost of farm machinery, which has been accompanied by the extending of acreages in order to provide economic family farms, will come to the conclusion that the problem is not that the farmer needs to borrow money

to buy new machinery but rather it is the cost of that farm machinery in relation percentagewise to the operation of the enterprise that the farmer may have.

If the minister gives any consideration to the reports of the farm implement companies I think he will come to the conclusion that there is a great deal to be desired in the operations of the farm machinery companies in Canada. In fact some consideration must be given to the whole international farm machinery industry, because if any industry is international it is this one. It might be interesting for members of the committee to review the proceedings of the agricultural committee several years ago when this matter was being considered. They will find that some farm implements sold in Timiskaming are produced in India and that farm machinery sold in other parts of Canada is made in the United States, Great Britain, France, in fact most of the major countries of Europe as well as in some of the countries of Africa and South America. Many of these machinery companies decide that a particular machine will be manufactured in one country, and its manufacture will not be duplicated anywhere else in their vast international empires.

Knowing the minister's background, knowing something about conditions in western Canada and having heard over the years about the co-operatives that have been established in western Canada both to operate farms and for the pooling of machinery, I think this legislation will work to a limited extent. I also suggest that it will work not only in the case of very large producers but in some instances in the case of very small producers who may be unable to get custom work done by an entrepreneur because their farms are too poor and their acreage too small to warrant the custom operator buying equipment in a particular area.

I make the prediction that the legislation we are now being asked to pass, with regard to which the farm magazines throughout Canada will give great credit to the minister for having tried to solve the problem, will never apply to even 2 per cent of the agricultural population of this nation. If this is true, then this legislation certainly is not the answer to the agricultural problem created by the high cost per unit of farm machinery. If this is true, then the minister had better look far beyond this legislation because I think the problem is much deeper.

The committee that dealt with this matter several years ago came to a number of conclusions. Members can look them up for themselves. I will not bore the committee by reading them. But members should look at them because I believe these conclusions caused the Conservative government of the day a great deal of concern. They raised problems that the Minister of Finance in the present government has tried to solve as did the minister of finance in the former government, and in both cases they have been wholly unsuccessful.

I refer to the fact that American companies, in fact, even some with their headquarters in Canada, are operating international cartels in the farm machinery implement industry, and the government, the Minister of Finance and nobody else in this country has been able to come to grips with this problem. Suggestions were made at the time of the committee hearings that there would have to be controls. We have some controls. There are controls on the import and export of many commodities. But have we had the initiative to place import and export controls on farm machinery? No; this is a totally neglected field. The hon. member for Acadia referred to hydraulic couplers for tractors, ejector seats and other accessories for farm equipment which are subject to taxes and tariff restrictions if bought separately. Milking machinery is also subject to restrictions. But in the main, farm machinery can flow across international borders without any control. This means that the companies pay no attention to supply and demand, produce in areas where it is most economical for them to do so and sell in a market where they can and do command the highest prices which the market will bear.

I am not in a position to say that there are monopolies on the national scene, but when you buy an automobile in Canada, whether from General Motors, Ford, Chrysler or Studebaker, you find that in comparable categories you get about the same kind of product from one company as you do from another for the same price. I do not know whether or not there is a monopoly. There are many more qualified to judge than I am, but it is a surprising situation and it limits the choice of the individual and his opportunity to get a better deal from one company than from another.

There is a similarity between the farm implement industry and the automobile industry. A John Deere tractor costs very nearly the same as a Massey-Harris tractor of similar horsepower, and with similar equipment. These are problems that the government is not prepared to face. I suggest that the

reason the committee was not reconstituted a year ago was that the former government did not have the courage to face these problems. If the minister wants to be fair, if the farm machinery dealers wish to be fair, if the farm magazines wish to be fair, they will point out that this major problem is not being faced by this legislation and has not been faced by this or the former government. In fact, I do not expect it to be faced by any government in Canada for some time, because it will require very drastic controls that the capitalistic governments of Canada are not prepared to impose.

This is the minister's own legislation. In my opinion it does not have the approval of his departmental officials and probably does not have the approval of most of the agricultural representatives in the Liberal party. In saying this I do not wish to be unfair. I represent the farmers of Timiskaming in the main, although incidentally I may represent farmers in other parts of Canada. I represent the mixed farmers of the clay belt of northern Ontario who have problems that are peculiar to them, and my representation is oriented to them. I know that the minister has connections with agriculture in western Canada and I am aware of what type of connections he has. I am sure his representation of his people will be the type of representation that will result in legislation of this kind. This may be all right, except for the fact that this is the Minister of Agriculture presenting this legislation and he has a much wider responsibility. Under that responsibility he must in my opinion take into consideration the aspirations of farmers in other parts of the country.

Last night I heard a member make the very strong statement that in his opinion most farmers could not get along with their neighbours to the extent of buying farm machinery co-operatively. I believe he was correct. I am in a partnership with my brother, and with two brothers it is very hard to decide whether we are going to cut my fall wheat first or cut his fall wheat first. I will decide that mine is riper and therefore it is necessary to cut it, while I am sure my brother will say that his is the riper and the advantageous time to cut it is today.

Now, Mr. Chairman, in western Canada you can sit around and talk about this for several days before you decide whose wheat you are going to cut. In Timiskaming if you do not get it cut while the sun is shining it will probably rain the next day and you will be lucky if the rain does not last for three weeks. If it does, no one will get the grain cut. If you do not think this will raise the blood pressure of those operating the farm machinery syndicate, I will be surprised. I suppose a scheme like this will work with people like the Hutterites. It will work with the larger groups in western Canada who have an affinity for one another greater than blood. It will work with those groups who have this type of brotherly philosophy that will allow it to work.

If you have ever dealt with a custom combine outfit or, in the early days, with a threshing outfit you will know that money changed hands in order that one farmer could get his grain cut earlier than his neighbours. There was a little bonus slipped under the table or some kind of incentive used. I presume that sometimes the custom thresher paid some attention to whether or not the cooking at one place was better than another. I know farmers well enough, Mr. Chairman, to know that it would not take very many years before there was a falling out of the members of a co-operative if the weather turned bad and only one or two of the farmers were able to have this equipment at the opportune time, while the others were left out.

The minister, of course, comes from an area in which there is a very dry, very stabilized climate, so probably he does not know about this. However, the situation I have described applies in Ontario and Quebec. I believe the result will be that few farmers will get this type of farm machinery. I imagine the hon. member for Kootenay East may find that a syndicate in his area will be able to go into the pulp and paper industry or a saw mill, something of that nature, because he gets along very well with them. There are a few farmers in my area in the pulpwood industry and they may get along to the extent of being able to share a truck for the hauling of their product. I think that in eastern Canada at least we are going to have some resentment on the part of farmers who find themselves out of luck in getting machinery from the syndicate.

When the minister speaks, as I presume he will, I should like to hear from him what he believes the relationship will be between this legislation and vertical integration. We know that vertical integration, in the fields in which it was introduced originally, has not been successful. It has not been the concern of this government but it was of the previous government because after a period of several years vertical integration in agriculture ran its course. I would suggest that this is an-

other type of vertical integration to which the minister ought to give consideration. I hope he will be interested in doing something in this regard.

Now, Mr. Chairman, supplying credit to purchase farm machinery without cutting the cost of that machinery seems to me to be putting the cart before the horse. All hon. members agree that the price of farm machinery is too high. Farmers do not say they cannot borrow enough money to buy this equipment; they say the price is so high that it is unprofitable to operate it on the farm. We are not cutting the price of farm machinery; all we are doing is supplying credit through the Farm Credit Corporation to enable farmers to group together to buy this machinery. This scheme may or may not cut the cost per farm unit; it may or may not cut the cost of production per unit, but it will not cut the cost of purchasing machinery.

The minister has not told us if this credit is going to cost the farmer 5 per cent. This question, of course, will be answered when we see the bill. We do not know whether or not the banks are going to lend the money and the loan is going to be guaranteed by the government. This is the manner in which farm improvement loans are made. These questions will be answered of course when the bill is introduced. We have met the problem of the reclassification of farm machinery, and I hope the minister has made provision for this in the bill. I am always surprised when I find certain items that are normally included in the cost of a tractor, such things as the canopy, foam rubber seats, a starter and other amenities that we expect on this type of equipment, are not included. When these things are bought separately and not as part of the original unit there is a tariff on them, and this increases the price because those items are not then considered to be farm machinery. This applies to many other things that are normally considered to be part of the tractor or other farm machines. I hope the minister has reclassified the words "farm machinery" so that they include all the things the farmer uses for agricultural purposes. I would presume, Mr. Chairman, that this applies also to trucks used solely for agricultural purposes.

The minister in my opinion has not been fair to farmers or farm organizations, because of his reluctance to say anything about the problem of farm machinery. By now the minister must have read the report of the agriculture committee which conducted a hearing into farm machinery costs. If he has read it, he will note that there are many things the committee studied to which consideration should be given right away. I feel the minister should be prepared to say whether or not he intends to reconstitute this farm machinery inquiry. He ought to be prepared to attempt to arrive at standardization of hydraulic lifts, power take-offs, and things of that sort that are very elementary. The standardization of this type of thing should be easily legislated by the federal government. Does the minister have anything to say about the maintenance of parts at a reasonable cost for a reasonable period of time? The committee thought this was an important part of the farm machinery and implement industry. Has the minister given any consideration to the remarks made last night by the hon. member for Burnaby-Coquitlam in relation to the testing of farm equipment? The hon. member pointed out that the provincial governments, particularly Saskatchewan, have gone as far as they can in this field. There is certainly nothing this government is doing better than giving advice and assistance to the provinces to run their own business. This is a field where that could be considered, although I suggest we should do it ourselves rather than have someone else do it.

Has the minister given any consideration to the greatest bugbear in the farm implement industry, namely the problem existing in the used implement end of it? What happens when a farmer trades in an implement? Who gets it and what relation has it to the new implements bought? The minister has said all these questions will be answered when we see the bill. I am quite anxious to see it but I doubt very much that it will answer a lot of these questions, although I hope it answers the questions that have been specifically related to the resolution.

The problems in the farm implement industry and those surrounding methods of reducing the cost per unit of production will have to be answered in many other ways, not all of them in the credit field. The minister will also have to take into consideration the problems he wants the agriculture committee to study. He will have less trouble with farm organizations, the farm press, and indeed with the farmers themselves, if he allows this measure, along with all the others, to be sent to the agriculture committee where they can be discussed, where people who have a great deal of experience and knowledge outside the legislative field would help us to make up our minds on how to supply the

farmers with more favourable and satisfactory legislation at less cost to the public and the treasury.

[*Translation*]

Mr. Ricard: Mr. Chairman, any legislation introduced in the house to help the agricultural class must necessarily receive the attention of all hon. members, and everyone must see to it that this legislation is enacted as soon as possible.

Yet, it does not mean that we should shelve our responsibilities and take the minister's recommendations for granted.

A few moments ago, when he reiterated his request to the effect that the resolution be passed immediately, my first reaction was to agree. But when I remembered the various questions I asked him, and which remained without answer for many weeks, I revised my way of thinking and agreed with other hon. members that the matter should receive further consideration.

The minister certainly meant well when he introduced this legislation. But, Mr. Chairman, we all know the saying: The road to hell is paved with good intentions. Therefore, in order to warn the minister and help him not commit errors which he would regret later on, I decided to take a few brief minutes to express my views, which are those of my voters at home.

I am very much afraid that the legislation now before us may cause some disappointment, especially among the farmers in the province of Quebec and eastern Canada.

I agree with other hon. members who stated that this measure would affect only an insignificant number of farmers. Moreover, I think what we have here is one more measure tending mainly to help the large farm operators. It seems to me that those are the only measures taken by the present government: measures giving no heed whatever to the family farm or the small farmer.

If there is an important sector in the agricultural field, Mr. Chairman, it is that of the family farm. That is where future farmers learn to work and to till the soil in order to replace their parents. If they are not given the necessary attention, we will sooner or later be the first to suffer the consequences of that carelessness towards that part of our population.

I would like to ask the minister a few questions concerning the measure under consideration. First of all, I would have liked, as other hon. members, to know what he means by farm machinery syndicate. I would have liked to know from the minister whether these syndicates will be controlled by provincial or federal legislation.

I would have liked also to know what arrangements have been made with the provincial ministers of agriculture during the meetings where this measure has been especially considered.

The minister would certainly have received more attention from this side of the house if, during his remarks, he had explained these points which, I feel, are of vital interest.

We should also like to know the interest rate the borrowers will have to pay; what will be the repayment periods; the amount a syndicate will be able to borrow; and finally whether this legislation will only apply to bona fide farmers or also to citizens who are not farmers.

I am inclined to agree more particularly with my hon. friend from Rosthern (Mr. Nasserden) when he says that this measure will benefit especially the western farmers and that it ignores the eastern farmers, more particularly those from the province of Quebec, the maritime provinces and Ontario.

I think our people will appreciate the remarks of my hon. friend from Rosthern who is certainly familiar with the needs of eastern farmers.

The question of the price of farm machinery is of capital importance to our farmers. As was pointed out by other speakers, especially the hon. member for Acadia (Mr. Horner), the agriculture and colonization committee considered the matter in the spring of 1961. At the time, to get firsthand information, I sent to 200 farmers of my riding a questionnaire in which I asked them to give me some information on the price and life of the farm machinery required to run a family farm. I also told them I needed all the information available to present their case adequately when the question would be considered by the committee.

Out of these 200 questionnaires, I received exactly 72 completed ones. In my first question, I asked this:

Please, indicate, in order of importance, the farm machinery that you think is most important, as well as its purchase price.

In the second question, I asked:

In your opinion, what is the average life of the machinery listed under item no. 1.

And my third question read as follows:

Please, list what seems to you the most important reason which explains the increase in price of farm machinery.

Here is what I learned from the answers to these questions sent to professional farmers:

Tractor, $2,300; baling-press, $2,300; manure spreader, $550; mower, $390; spinner, $410; plough, $230; milking machine, $450; harrow, $395; combine, about $4,000; disks, $600; binder, $550; spreader, $400.

Total cost of purchase would be about $12,500, at 1961 prices. The purchasing price of the above farm machinery has certainly increased considerably since then.

Modern farms are also equipped with a hay conditioner, a potato digger, a beet digger and an ensilage cutter or blower. Unfortunately, I have no detail about the price of this machinery, but I am convinced that it is among the most costly.

According to the information obtained by means of that questionnaire, those machines last between five and ten years, depending on the care they receive. Some farmers who are very careful will keep their machinery much longer, while others who are careless will have to make repairs or trade them in much more often than those who keep them in order.

As for the various causes stated to justify the increased cost of machinery, this is what farmers had to say:

First, many are of the opinion that the commissions drawn by salesmen are too high and the profits of the farm machinery manufacturers are exorbitant.

Moreover, repair and maintenance costs are also very high. The same is true for transportation costs which increase constantly from year to year.

They mention also that tax increases that follow one another contribute enormously to the fact that farm machinery gets more expensive every year.

And there are those who even complain that farm machinery, and more particularly tractors, are unnecessarily luxurious.

In this connection, and more especially with regard to tractors, there is surely a great deal of truth in what some farmers told me, because various manufacturers of farm machinery seem to outdo each other in luxury in order to offer de luxe machinery to their customers, even though the latter do not need them to carry out their work. I am sure most farmers could do without de luxe attachments on their tractors. If the cost of those machines were reduced by as much, farmers could use that money for other purposes.

According to the replies received, I was able to realize that the farmers, in general, complain about the discrepancy between the cost and the selling price of their products. And this question of farm machinery certainly enters into account when both the prices I have mentioned are being determined.

Then, before resuming my seat, I wish I could, on the part of the farmers of my constituency, exert some pressure upon the minister to have him bring about measures that will particularly apply to the eastern farmers. We are not jealous of the help given to the farmers of the prairie provinces, but we believe that the central government, especially the present Liberal government, following the many promises made, should give special attention to eastern farmers. An eastern department of agriculture was promised, but such a project remains unfulfilled. Consequently, I would ask the hon. minister and his parliamentary secretary, whose intentions are certainly good, to give—

[*Text*]

—to have that "long look" of which the minister speaks so often. We need it in eastern Canada today. We need the help of the minister and we do need that "long look". But, even more important, we need practical measures to help our farmers.

Our farmers are most disappointed. I must tell the hon. gentleman this, because it is true. I would much prefer to be agreeable to him and congratulate him on the measures he has brought in. But my farmers—and I am sorry for this—have asked me to tell the hon. gentleman that they are very disappointed. I do not wish to review the measures he has taken—measures which have had results so unfavourable to our dairy farmers. I have told the government this, time and again, but it has not seemed to sink in too well. However, Mr. Chairman, I would like to take this opportunity of saying that there are many facets to this question; there are many angles. We on this side of the house represent so many people who are professional farmers and therefore know very well about farming and farming problems. These people could give the minister a great deal of assistance in arriving at solutions to some of the problems that are today facing our farmers.

I join those who have spoken before me in recommending that this measure be sent to the committee on agriculture and colonization. There is a wealth of knowledge in that committee, especially in members from this

side of the house, and we are all willing to help the government because we realize that the Department of Agriculture is in dire need of help. We are willing to give this help to the minister.

Mr. Watson (Assiniboia): Mr. Chairman, I would like to make a few general remarks at the resolution stage of this legislation. At the outset I would like to quote from yesterday's *Hansard*, when the Minister of Justice, the house leader, said:

> But I think for the benefit of the farmers it would be preferable if we could dispose of the farm machinery syndicates resolution right away.

This may be so, and this is one reason for my rising to my feet, because I am interested in knowing what types of equipment the minister is thinking about in this connection; that is, what types of equipment may be purchased under this legislation. As I see it, farming is pretty well completed for this year, but many farmers wish to lay their plans and arrange their business for the coming year. The word "syndicate" intrigued me, so I looked it up in the Winston dictionary. It says, "Syndicate is an association of persons or corporations to promote some particular enterprise, especially an enterprise requiring a large amount of capital, and control the market in a particular commodity".

This raises the question in my mind as to whether this is a bill mainly for the small farmer who cannot afford a certain type of equipment, or is it going to put some farmers into the category of being more or less small contractors, in terms of equipment costing $50,000 or $75,000? I cannot foresee this bill dealing with some types of farming equipment that we use. I am thinking of haying equipment, loaders, and possibly bulldozers. If one wishes to do bulldozing work, this would be the type of equipment contractors would use for clearing land. Perhaps this is what the minister has in mind, but he has not mentioned it yet. A few minutes ago the minister said that most of the answers were contained in the bill. However, Mr. Chairman, if I understand the position correctly, the resolution stage is the time to put forward ideas that may be introduced into a bill. Despite this, the minister has said the questions have already been answered in the bill.

I would like to point out a few of the difficulties that I think could occur under an arrangement where three or four farmers join together to form a syndicate. I have had some experience, as have many farmers, of buying equipment jointly. I realize that one of the drawbacks to this type of co-operative farming is the fact that the farmers will use the equipment and nobody will be its actual boss. Therefore the equipment will not be looked after in the proper manner, and eventually these syndicates about which we are speaking will fall apart. Perhaps again the minister will explain this matter when we deal with the bill. On the other hand, Mr. Chairman, I would think that with regard to any type of equipment costing up to possibly $75,000, the people involved would be organizing for a profit. My idea of a bill that would be of benefit to the small farmers would be one that provided for the purchase of the type of equipment that one would buy in order to save money, and not in order to make a profit.

I was interested in the remarks of the hon. member for Burnaby-Coquitlam last evening when he referred to C.C.I.L., as we know it in western Canada, and how it was organized with the idea of saving a great deal of money for the farmers. I believe it is true that many farmers who buy through C.C.I.L. do receive a fair dividend. Again, Mr. Chairman, one of the drawbacks of this arrangement is that only one type of equipment is available and there is no choice. Any farmer who has a specific choice or preference for one particular make of equipment, because he believes it is superior to others, does not fall into this category.

A great deal of the large equipment that C.C.I.L. sells is imported from England, from Europe, and we must realize that when a farmer wants his equipment repaired, he wants the repair to be carried out at once. Anybody who has farmed in western Canada realizes that many times we must have parts flown in from eastern Canada or the United States. I think this is one of the drawbacks of the C.C.I.L. arrangement. Collective parts depots was a subject that was also mentioned. I for one do not believe that this is a feasible set-up. The hon. member for Burnaby-Coquitlam mentioned this matter. I do not think there can be co-operation among machine companies any more than there can be between members of different political parties, or members of the House of Commons. I do not think they can agree on one thing.

Mr. Whelan: Get out in the world, instead of living on a tractor.

Mr. Watson (Assiniboia): I believe that a bill such as this, which is of vital interest to farmers all across Canada, should be sent to the committee on agriculture and colonization,

as has been suggested. The committee could then study the bill, and I believe many good suggestions would be brought forward. I hope that when the minister introduces the bill he will specify the types of equipment this legislation will cover. We are looking at the over-all cost of farm equipment, whether it be equipment used in eastern Canada or the large type of equipment used in western Canada. I cannot see that this will have any bearing on lowering the cost of farm equipment. At best it may aid a few of the smaller farmers by enabling them to buy collectively certain types of equipment. The hon. member for Medicine Hat mentioned the figure of $75,000 last evening and I think the minister should tell us whether such a figure is involved here. What types of equipment has he in mind which could possibly cost $75,000. I realize that farm improvement loans have been increased from $7,500 to $15,000, which is all to the good because the cost of equipment has gone up three or four times what it was 15 years ago.

A few other questions I have in mind are these. When we are speaking of partners in a syndicate I should like the minister to explain whether he means such partners will be live partners, or whether just one or two will control the syndicate and the rest will be silent partners. This might again raise the question whether this measure will be of benefit to the small farmer, or will have the effect of organizing a group of big farmers and put them into the farm contracting business.

As we all know, there are many types of tractors and combines today. I would say that the smallest costs about $5,000 to $6,000 and you can pay as much as $12,000 to $15,000. I should like to know whether it is the intention of the minister to allow three or four farmers collectively, after having spent their $15,000 farm improvement loan, to raise another $75,000 to buy some of the bigger tractors and go into commercial custom combining or contract farming.

I should also like to know whether it is the minister's intention that the syndicates be big enough to buy direct from the manufacturer and thus cut out some 40 to 50 per cent profit which is involved in the sale of equipment locally. I am referring to the local dealer who gets about 20 to 25 per cent on selling an implement, and also the wholesalers or general offices located in each province which make, according to the figure I have heard, 35 to 40 per cent for their particular company. That is the profit which eventually ends up in the hands of the company which manufactures the equipment concerned.

I have just outlined, Mr. Chairman, a few of the questions which I have in my mind. I will not say anything more at this point because I should like to see what is in the bill in detail. When I have seen it I may have either some criticisms or some constructive criticisms, whichever it may be, of the bill which the minister is introducing.

Mr. Baldwin: Mr. Chairman, I am not going to make a long speech but I do have a few questions to ask the minister at this point. I do not expect him to answer them now, but he might make a note of them and perhaps answer them either on second reading or during committee stage of the bill.

My first question is: Have the officials of his department given consideration to the adequacy of this amount of $25 million? I ask that question because just the other day I was in the Northwest Territories attending a ceremony at which the minister himself was supposed to be present but unfortunately was not. However, his colleague the minister of northern affairs was present and made a speech in connection with the crossing of the Great Slave lake railway into the Northwest Territories, and he referred to the fact that this railroad, among other things would provide a means of transportation across some eight to ten million acres of agricultural land which in due course would be opened up. That is borne out by the fact that in the last four years at least 3,500 to 4,000 applications have been made by people concerned in securing agricultural land in the newly opening areas in the constituency of Peace River alone, under the provincial homestead settlements scheme. The amount of machinery which these farmers and potential farmers would require to remove the brush and cultivate the land will take up a substantial portion of the $25 million which the minister is suggesting be offered for this purpose on credit terms.

To underline that I would also call attention to the fact that page 11 of the 1963 report made under the Farm Improvement Loans Act, the amendment to which act was the subject of discussion yesterday, shows that $99 million—almost $100 million—in the year 1963 alone was utilized by the farmers in Canada for the purchase of farm machinery under the pertinent provisions of that legislation. In other words, the farmers of Canada purchased $100 million worth of farm equipment under the Farm Improvement Loans Act. It is interesting to note that there were

58,000 applications, and that the average loan per farmer was less than $2,000.

The next question I should like to ask the minister is this: To what particular portion of the farming community is this legislation dedicated? Who are contemplated as the beneficiaries under this legislation? The minister may, of course, say that under the Farm Improvement Loans Act it is impossible to grant loans to syndicates and co-operatives, and consequently they are the people who are shut out, under the provisions of that act, as a group, as a co-operative or as a syndicate, from securing these benefits. However, I would point out to the minister that under the Farm Credit Act, which he administers and which the previous government passed in 1959, section 2 defines "farming" as including a co-operative farm association and a family farming corporation. So it cannot be said at this time that prior to the enactment of the legislation which will be introduced following passage of this resolution there is not now in existence legislation which might well cover the particular groups the minister has in mind in this resolution.

It is rather interesting to note in examining the figures in connection with the Farm Credit Corporation—and I am now reading from the annual report and financial statement for the year 1963-64—that while for that year there were 8,689 loans totalling $108 million, with an average loan amount of $12,430, only 1.2 per cent of the loans were for the purchase of equipment. I would then assume—these are figures I do not have, but the minister may have them—that with regard to farm co-operatives and family farm incorporations, which are defined in the Farm Credit Act as being amongst the group who may secure the benefits of the legislation, a very infinitesimal portion of the total moneys lent would be lent to such groups for the purpose of securing farm machinery. Therefore I think this underlines the request I have made to the minister, that at some time he should enlighten members of the committee as to the groups, the people, the individuals who in his opinion are entitled and will be able to secure benefits from this particular legislation, having in mind the figures I have put on the record under the two enactments which at present constitute the sum total of federal farm credit legislation.

Before I sit down there is one more question I wish to ask the minister. This concerns a class of people who have not been mentioned in the debates we have had in the house in connection with farm credit. I refer to the original settlers of this country, the Indians. I call the minister's attention to the fact that some years ago we had a joint committee of the Senate and the House of Commons which inquired into the whole question of the Indian Act and the economic and social conditions of the Indian. One of the very interesting discussions which took place was with regard to the opportunities afforded to the Indian people under the Indian Act to secure the same types of benefits in the form of credit and assistance as did the other inhabitants of Canada.

It was then pointed out, not only by the Indians themselves but by officials of the department, that these people labour under a considerable handicap because of the fact they do not have title to their lands. Under the Indian Act they hold under what are known as certificates of occupation. As a resident of my province the minister will recall that there is an act known as the métis colonies act which sets up in the northern part of the province and to a large extent in my constituency a number of areas where those native inhabitants, who are no longer under the Indian Act but come under the métis act, secure certain benefits. Tracts of land have been set apart for their farms. They also operate under a system of land holding involving certificates of occupation which do not give them title to the land. Very often in their attempts to secure the benefits of the type of farm credit legislation and farm assistance programs available to other Canadians they come squarely up against this handicap. This was mentioned and extensively commented on and I would hope that in the legislation the minister is going to introduce provision will be made to deal with these people.

It is all very well to say, as has been said, that it is possible to change the provisions of the Indian Act so that Indians can hold title to their lands. At the present time the Indians themselves are very much opposed to this. When we are attempting to establish many of these people and to provide them with the opportunity to attain the living conditions that prevail for all other Canadians, I think it is manifestly unfair that because of their system of land ownership we should deprive them of the opportunities which they would receive under legislation of this kind. I know that many of these people are good farmers and would like the opportunity to settle into the mainstream of our economic life, but by reason of these facts they are

prevented from doing so. When the minister introduces the legislation I hope it will provide for them. If it does not I hope he will consider making appropriate amendments for that purpose.

Mr. Southam: Mr. Chairman, having had the honour of being a member of the agricultural committee for a number of years I have always been interested in the problem of the cost of farm machinery, and I believe that every member of the house should have the same interest because of the fact that the agricultural economy is still one of the basic and most important economic factors in this great country. I was disappointed yesterday afternoon that the minister gave such a brief résumé of the proposed legislation. It seemed to be a rather insipid introduction for something as important as this and consequently I have a few questions to ask. I do not think that members on this side of the house have any apologies to make if we wish to make a few brief remarks, and I can assure you mine will be brief.

Because of the fact that so little explanation was given in introducing the legislation to provide for the extension of farm machinery syndicates I feel we should place our queries on the record. I ask the same question that many members have asked. Will the legislation actually help those farmers who need help? In discussing the problem of the cost of farm machinery with the well established farmer operating on a large scale, I find he feels that because of the legislation with respect to the agricultural economy placed on the statute books by the previous government he has been able to pull himself out of the economic doldrums. Nevertheless he is interested in this legislation also. However it is those smaller farmers who operate the great majority of the 400,000 farms spread across this vast land about whom I am concerned. I am concerned as to whether this measure will actually work in practice.

I can see that a father and a couple of sons, or three brothers could apply to the Farm Credit Corporation and receive a loan up to $75,000 to provide machinery to operate a family farm unit but, as was pointed out by the hon. member for Timiskaming, farmers are free enterprisers and individualists. They are very much concerned about running their own operations. Looking at the matter from the psychological aspect I wonder what would happen if three or four farmers formed a syndicate to buy a tractor costing $8,000 to $11,000, or a $10,000 combine for harvesting, particularly during a fall season such as we are experiencing at the present time.

Who would decide who would use the particular machine when the sun did come out? After all, farmers are most interested in good weather because they are so dependant on the elements. Every farmer wants to get out and do 10, 12 or 14 hours of combining while the weather is right. I am concerned whether there is any practical value to this legislation. I hope the minister will put forward some way of solving this problem when he brings the bill before us.

With respect to the maximum loan of $75,000 which is available under this measure I would ask this question. Will the small farmer take the risk of using his land as collateral in order to borrow to this extent? I find that farmers are most reluctant to incur any large debt unless they can see a reasonable prospect of repaying the loan. There is always the consideration whether the farmer will want to pledge his chattels and land as collateral for a loan of this size.

As has been pointed out by other speakers, there is another factor that enters into the picture where you have a co-operative enterprise for the buying of machinery involving four or five farmers who purchase a machine. Who will be responsible for the repairing of the machinery? Will the machinery be maintained? Not long ago one of our members was talking to one of the Russian visitors to Canada who were interested in our farming operations. This Russian visitor looked at the tractor and asked the farmer how old it was. The farmer said it was 11 years old. The Russian visitor immediately raised his eyebrows and asked how he maintained such a lifespan for a tractor. The farmer said that the individual who purchased it took pride in keeping up his machinery; he greased it regularly and repaired it regularly so that the life of the tractor was extended. He asked the Russian what the situation was in Russia. The reply was that when they bought machinery to operate their communal farms the lifespan was perhaps a year and a half or two years. You can see the difference. If we set up these syndicates, will the machinery have the normal life expectancy it should have under the free enterprise system?

We find today that we have a number of farmers who, by agreement, will have one farmer buy a tractor or a big combine. In order to help him finance the cost of this machine he will do some custom work in the

neighbourhood to supplement the work that has already been done by farmers who have combines of their own. In order to take advantage of the sunshine and get his crop harvested, a farmer will seek the help of this neighbour and this, in turn, helps to liquidate the cost of the investment. By injecting this new feature of the farm machinery syndicate into the picture, are we going to interfere with this operation that is already established?

I believe the hon. member for Acadia has already referred to vertical integration. We had quite a bit of discussion about this in the agriculture committee several years ago. I should like to see the bill before I make too many comments on the subject, but this is something we have to guard against. We should not be providing large sums of money to commercial operators who are not really farmers in the ordinary sense of the word but who, because this money is available, want to get into the agriculture picture and make a fast buck, as it were. We want to be careful we are not encouraging further vertical integration.

The cost-price squeeze was referred to by some members. I believe the hon. member for Burnaby-Coquitlam dwelt upon it at length. This is an old phrase, but I believe it has importance in the agricultural economy. I am wondering, in relation to the cost-price squeeze about which we speak, if we are putting the emphasis in the right place. We are interested in the high cost of machinery. I find in talking to the farmers in my area that a number of them are asking questions about the prices of the farm products they have to sell. We talk a lot about keeping down the prices of the things the farmer has to buy, but can we do something about raising the price of the things the farmer has to sell? I think this is an important aspect that has not been given too much consideration by the present government. We brought in several measures, of course, to help alleviate this condition. The Agricultural Stabilization Act is well known and well established now and has gone a long way toward helping the situation. I think it should be looked at again and perhaps made more effective in the light of the experience we have had since that legislation was introduced.

Another thing we did which helped to reduce this cost price squeeze was to get ourselves into a sellers' market so far as our wheat was concerned. As the members of the committee know, when we took office in 1957 and 1958 there was a large volume of grain in the prairie provinces and there were high storage costs on it. By getting out and making contracts with other countries, we got ourselves into a liquid position. We got into a sellers' market, with the result that when the last world wheat agreement was completed some three years ago we got the world wheat price up 10 cents or 12 cents a bushel.

The next major move, and the most effective of all, was the revaluation of the Canadian dollar. This in effect placed another 15 cents per bushel on the value of our Canadian wheat. This 25 cents per bushel extra, when applied to a crop of 400 million bushels, which is a modest average production in western Canada, gave us another $100 million which did not come out of the pockets of the taxpayers, but came out of world markets. This was another step in reducing the cost-price squeeze.

I suggest to the committee that we have to look at both sides of this picture so far as the machine dealers are concerned. I understand that a number of machine dealers in various parts of the country have been able to grant a little higher value on the trade-ins. This has worked to the benefit of the purchaser. The machine dealers have been able to recover these increased costs by putting this machinery out for custom use in the neighbourhood. Again, some farmers in the neighbourhood who want to take advantage of the good weather will go in to the machine dealer and rent some of this farm machinery. They take it out to the farm, put it to work and then bring it back to the dealer. The result of this has been to help the dealer get his value out of the machine and to help the farmer get his crop harvested. It is a mutually satisfactory business and helps both sides. This practice has not been too widely developed as yet, but it has been developed and it would be a mistake to interfere with it.

The hon. member for Timiskaming said something about the former government not taking action so far as the agriculture committee was concerned in connection with this inquiry into the price of farm machinery. As a member of that committee I may say that it was one of the most worth-while committees of which I have ever been a member. We had 29 meetings and we heard witnesses from all across Canada, particularly those in the machine industry. We were not altogether satisfied with some of the testimony because we were repeatedly told that the answers to some questions would give information to competitors. Had we carried on as the government, we had arranged to have these wit-

nesses recalled. I was interested in hearing the hon. member for Jasper-Edson say that there were machine companies in Canada who were selling the same machines in Scotland for $600 less than in Canada. There was an indication of this sort of thing in the testimony given to the agriculture committee. As a result of that, we were prepared to recommend to the house that we send four or five men, one from each party in the house, on a short tour of Europe to look into the situation. However, the work of that committee was not completed. I do not believe we should bear too much criticism of the kind we received from the hon. member for Timiskaming, because I believe we would have been able to come up with very good results had we completed our work.

With these few remarks, I should like to suggest that before we finally pass this legislation it should be placed for some time at least in the hands of the committee on agriculture and colonization for further study.

Resolution reported and concurred in.

Mr. Hays thereupon moved for leave to introduce Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Motion agreed to and bill read the first time.

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

Some hon. Members: Now.

The Acting Speaker (Mr. Batten): By leave now. Agreed?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Batten): By unanimous consent, Mr. Hays, seconded by Mr. Favreau, moves that the said bill be read a second time.

Mr. Starr: Mr. Speaker, I understood we would give this first reading and leave second reading until a later date, and that we would go on with the farm crop insurance measure at this time.

Mr. Favreau: Mr. Speaker, I am not going to say there was an agreement or an arrangement. I had suggested that if it were at all possible for the present bill to be carried through its three stages, it would be a different thing from the crop insurance bill, because the present bill, if it is passed, may be implemented right away for the benefit of the farmers, for reasons which have been explained by my hon. colleague the Minister of Agriculture (Mr. Hays). But if there has been any misapprehension on the other side I must say there was no agreement or arrangement. There was only a very strong suggestion by myself, to the effect that I have just explained. I had the very clear impression that sympathetic consideration was to be given to it, and I may say I was not surprised a few moments ago when there appeared to be consent to go on with second reading. I repeat that I did not have the same insistence for the crop insurance measure.

Mr. Starr: May I rise on a point of order, Mr. Speaker. Events have moved a little too rapidly at this time. It was our complete understanding that we would give the bill first reading today, go on with the crop insurance item and then carry on with the second reading of the bill at the next sitting of the house.

Mr. Favreau: Mr. Speaker, I would not want anybody to be taken by surprise or to imply anything which has not been decided. Therefore, if it is the intention of the official opposition not to proceed with second reading of the farm machinery syndicates bill today, I can only repeat there was no formal arrangement but just a very strong hope on my part.

Mr. Jorgenson: The minister is to be lauded on his efforts to get this legislation through for the benefit of the farmers, but I am sure he must realize this is new legislation. It is a departure from anything we have seen and hon. members would want to give it careful examination before agreeing to pass it. There must be a number of questions that can be raised on second reading, and I believe hon. members would want to proceed with the crop insurance item.

Mr. Favreau: I am not trying to benefit from any surprise which may have been caused by this apparent decision of the house, and the government is ready to consider that only first reading has been given, and to have second reading at the next sitting of the house.

The Acting Speaker (Mr. Batten): Order. When shall the said bill be read the second time? Next sitting of the house?

Some hon. Members: Agreed.

Crop Insurance Act

CROP INSURANCE ACT

AMENDMENTS RESPECTING REINSURANCE PROGRAM

Hon. Harry W. Hays (Minister of Agriculture) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Crop Insurance Act to authorize the governor in council to enter into agreements for the purpose of establishing a crop reinsurance program to supplement provincial crop insurance plans; to provide for the establishment in the consolidated revenue fund of a special account, to be known as the crop reinsurance fund, to which shall be credited amounts paid by a province under a crop reinsurance agreement and out of which shall be paid amounts required for the payment of reinsurance claims; to authorize advances from time to time from the consolidated revenue fund by way of non-interest bearing loans to the crop reinsurance fund; and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

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

Mr. Hays: Mr. Chairman, I wish at this time to outline briefly the proposed amendments to the Crop Insurance Act, and inasmuch as there was some concern about not enough explanation having been given on the previous measure I shall endeavour to deal with this one more thoroughly.

When my predecessor, the hon. member for Calgary North (Mr. Harkness) introduced the Crop Insurance Act in 1959, he pointed out that the constitutional responsibility for crop insurance rests with the provinces. He further emphasized that conditions vary so greatly from province to province, that a program which would work well and be practised in one province would not work in another province.

The responsibility therefore for providing the necessary legislation and administrative machinery, to provide a suitable crop insurance scheme for any province, rests with the provincial authorities.

The Crop Insurance Act passed by parliament in 1959 was designed to help the provinces to provide crop insurance for farmers, at costs which would not be prohibitive for interested producers. To this end the act provided that under agreement with any province the federal government could reimburse the province for up to 20 per cent of the premiums necessary to make an insurance scheme self-sustaining, and 50 per cent of the necessary administrative costs incurred by the province.

[The Acting Speaker (Mr. Batten).]

In addition it was provided that Canada could, in any one year, lend to a province 75 per cent of the amount by which indemnities exceeded the total of premiums, reserves and $200,000. This provision was intended to protect the provinces from being financially crippled, in the event of widespread disaster to crops, particularly in the early years of operations before adequate reserves were accumulated. But some have indicated they do not consider this protection adequate or in a satisfactory form.

It is of course a requirement of the agreements with the provinces that the premium rates be actuarially sound, and that over a period of years, based on long term experience, the income from premiums will equal the payout through indemnities. Crop insurance however differs from many other types of insurance. Life insurance companies can with a considerable degree of accuracy predict the number of people in any age group who will die in any year. Other insurance operations are based on data which gives a reasonable forecast of losses in any year. It is difficult, if not impossible, to determine the exact incidence of crop failure. Crop insurance premiums are based on crop yield statistics for a long period of time. In Manitoba the period for cereal grains, for instance, is 35 years. Premiums are expected over that number of years to equal the amount of indemnities paid.

In the meantime, obviously any serious crop disasters could require insurance pay-outs greatly in excess of premium intake and reserves. There is however no way by which the extent of crop failure in any year can be forecast.

This government, on taking office and examining the existing crop insurance program, recognized that the provinces with the longest experience in this field were reluctant to expand their insurance programs, and for good reason. Had they expanded their coverage to the significant percentage of farms necessary for a useful program, the impact of widespread crop failure before insurance reserves have accumulated could have had a very serious effect on their financial position.

The government recognized that even under the present provision of the act for federal loans in case of disaster, the loans necessary to pay indemnities in one or more disaster years would have a detrimental effect on a province's borrowing powers for other essential government purposes. These provinces even before present agreements

were signed requested that some provision be made for reinsurance by the federal government of part of the provincial crop insurance risks.

In February of this year a conference with provincial officials was held in Ottawa at which the whole matter of reinsurance was discussed and several proposals were considered. Basically all proposals suggested that a province should be able to pay an annual premium to the federal government for protection against crop disasters.

In return for an annual premium which will be calculated to be actuarially sound as a reinsurance premium, the federal government will undertake to pay about 75 per cent of crop disaster insurance payments in any one year.

We are not suggesting that the federal government assume any of the provincial responsibility for crop insurance. But the federal government is prepared through the reinsurance arrangement proposed in this legislation to provide a way for spreading the financial impact of disaster years which may occur from time to time over a period of years.

In other words the federal government would act as a backstop for provincial crop insurance programs if crop losses hit disastrous levels. The government is convinced of the value of crop insurance and the need for the protection of farm operating capital which it provides. This will not in any way affect premiums farmers have to pay and will make crop insurance available to many more of them. I might point out that under the scheme as it now exists the federal government pays 20 per cent of farmers' premiums. This means that for every 80 cents the farmer puts in he gets a dollar's worth of insurance in the event of a crop loss. Perhaps I should also remind hon. members that crop insurance is designed to return the insured farmer his cost of production.

Because the government believes in the importance of crop insurance to farmers' security, it wants to give every encouragement to the provinces in making crop insurance available to the greatest possible number of producers. But again, I should probably point out that this is not a subsidy program. It is intended over a period of years to be virtually self-sustaining.

The proposed amendments in accordance with the wishes of the provinces will provide a new choice of disaster protection for provincial schemes. As an alternative to the present loan feature of the act the federal government would be able to enter into an agreement with any province operating an approved crop insurance scheme to reinsure a portion of the provincial risks involved. Provinces will thus have a choice of operating under the present loan arrangement or under a reinsurance agreement for which the province would pay an annual premium to the federal government.

The proposed amendments developed out of consultation with the provinces are founded on these basic principles: Reinsurance coverage provided for must be useful and acceptable on a national basis; a reinsurance program should protect provinces against a series of bad years that would result in an impairment of their fiscal position; the reinsurance program should maintain the present general relationship of federal-provincial involvement; the reinsurance program should not be confused with "relief" programs.

In the opinion of the government these objectives can best be accomplished by a three way division of financial responsibility. The first responsibility should fall on the provincial crop insurance agency through its premium receipts and reserves and as is the case with the present legislation, the second level of responsibility should fall on the province, since these are basically provincial programs. The amendments now proposed would provide for this second level of provincial responsibility in this way: Whenever the indemnities to be paid in any year exceeded the aggregate amount of premiums and reserves the province would assume responsibility for an amount equal to 2½ per cent of the total face value of insurance policies in force in that year. But in the case of a series of bad years the amendments also provide that this provincial responsibility shall be limited to an accumulated total at any time the program is in operation of 16⅔ per cent of the total current liability.

The third level of responsibility should then fall jointly on the federal and provincial governments, with federal participation financed from the reinsurance fund. In providing for this third level of responsibility it is proposed that after premiums and reserves plus the 2½ per cent deductible have been used to pay indemnities, any residual amount required shall be provided 75 per cent by the federal government and 25 per cent by the province. These are the essential objectives of this legislation.

There is however another provision which is of some importance to insured farmers. When the Crop Insurance Act was passed in

1959, the minister of agriculture indicated that the lands operated by farmers who purchased crop insurance coverage under a provincial scheme would be excluded from benefits of the Prairie Farm Assistance Act and that they would not be required to pay the 1 per cent P.F.A.A. levy on grain sales. However the act in its final form only provided that the initial payment farmers receive at the time of delivery of grain should be exempt from the levy. Interim and final payments made by the wheat board still remained subject to the levy. The reason for this was because of certain administrative problems encountered by the Canadian wheat board. We now feel we have a solution for these problems which will enable us to carry out the original intent of the act to exempt insured farmers from any payment of the levy.

As the house knows, only three provinces—Manitoba, Saskatchewan and Prince Edward Island—have so far joined in the program, although Alberta and Nova Scotia now have crop insurance legislation on their books. Manitoba has had the most ambitious crop insurance scheme so far. It is expected to cover some 6,200 farmers this year with about $15 million worth of insurance. Some 2,200 farmers have been insured in Saskatchewan and 75 in Prince Edward Island. Altogether that is about 8,500 of the 480,000 farms in all of Canada—not a very substantial proportion.

May I say in conclusion that the government believes this legislation will encourage more provinces to participate and encourage them to offer crop insurance coverage much more widely. This would mean crop insurance becoming available to many more farmers eventually, we hope, in every province thus removing their long-standing fear of being ruined overnight by disasters over which they or anyone else have no control.

By making the crop insurance program more effective with the changes this government proposes, there will be available a most important new stabilizing force, not just in our farm economy but, because of the importance of our farm economy to so many other areas of activity in this country, also in the economy of the country as a whole.

Mr. Jorgenson: These amendments to the crop insurance legislation which was placed on the statute books by the previous government in 1959 are, I feel, a logical development in view of the experience of the government, and of the province of Manitoba in particular in this field. When the legislation was introduced by the hon. member for Calgary North, he indicated that in the light of experience it might be necessary to introduce amendments from time to time so as to improve the act, bring it up to date and enable it to do the job it was intended to do in all circumstances.

I was interested in one comment the minister made. He said he was convinced of the value of crop insurance. We are pleased to know this, because the members of the party to which he belongs were by no means so convinced when they made their comments on the legislation brought forward in 1959. They said, as I recall, that it would be of little value or benefit to anybody and that farmers would not participate in the scheme. However the wisdom of the former government in introducing this legislation, as well as of the Manitoba government in following it up by complementary legislation, has clearly been justified. It has been shown that crop insurance is not only desirable but that it is almost a necessity in these days of high fixed costs and fluctuating yields.

This is not the only example of hon. members opposite being converted to programs initiated by the previous government. I recall the comments they had to make about sales of wheat to China. I remember how they beat around the country telling everyone that these sales were just a flash in the pan—the sort of thing that would not be repeated. I was interested in the remarks of the Minister of Trade and Commerce some time ago when he said they are looking to China as a continuing market for wheat. I have digressed a little here, Mr. Chairman, but the minister gave us that opportunity a short while ago when he said he wanted to get this farm machinery syndicates bill through, and if we wanted to discuss farm problems generally we could discuss them on this bill. When we were discussing supplementary estimates I remember the minister suggested we should deal with general farm policy on the main estimates; and when we got to the main estimates he suggested we should deal with these matters on the particular items. Then when we reached that stage, the minister wanted us to discuss these questions somewhere else. I suppose that now we are dealing with the crop insurance resolution the minister will suggest that we discuss these matters on next year's estimates.

Mr. Hays: On a point of order, Mr. Chairman, I would hope we can get this crop insurance legislation through for next spring, so it

is all right for the hon. member to speak as long as he wishes; but the farm machinery syndicates bill is wanted right away, so I hope we can get it through quickly.

Mr. Jorgenson: I am not sure it is that urgent, Mr. Chairman; the crop is just about off the land and most of the farm machinery that will be required will not be required until next spring. However so far as this legislation is concerned, I think it is of great importance that it be dealt with at the earliest possible opportunity, because in my own province of Manitoba, which is the pioneer in the field of crop insurance, they have been asking for this legislation since 1962 and the government of that day—

Mr. Hays: Nineteen fifty eight.

Mr. Jorgenson: My hon. friend is wrong, Mr. Chairman, because it was in 1962 that there was a formal presentation and request for a reinsurance proposition and there was an amendment to the existing act. We were dealing with it at the time, and I regret to say that there was some opposition to the introduction of this amendment to the crop insurance legislation. The opposition was from treasury board, because they felt it was going to cost the treasury too much money. However, this is certainly far from the truth, because rather than costing the treasury money, I feel this amendment to the legislation is going to save the treasury money.

The minister indicated that this legislation was going to afford the provinces an opportunity to expand their crop insurance program and enable them to get into the business of crop insurance under a more developed program than exists at the present time. I was speaking to the minister of agriculture of the province of Manitoba only yesterday, and he was very happy to learn that this legislation was coming forth, and was anxious that it should be passed as quickly as possible so they could extend their plans in regard to crop insurance to cover about 50 per cent of the farmers in that province for next year.

I sometimes feel that the public generally misunderstands the role of crop insurance in an over-all farm program. Crop insurance by itself is nothing more than a device that levels out yields from year to year. This is a very important function of a farm program. If we are to provide the degree of stability in agriculture that is necessary to maintain income levels that will take care of the high costs of production, this type of program is very necessary. In crop insurance we find one facet of a farm program that deals with the variability of income due to the fluctuation of yield. It is fairly obvious that crop insurance, taken by itself, can have no influence whatsoever on the variation of income due to price variations. Therefore another piece of legislation was introduced by the previous government to take care of that aspect of income variations. That policy was embodied in the provisions of the price stabilization bill, which does provide some degree of stability in prices, preventing the violent fluctuations of prices of agricultural products.

Then again there is a necessity to provide for credit to farmers, and this has been dealt with by the farm credit legislation, the Farm Improvement Loans Act and other items of legislation that deal with farm credit. Another program that was initiated by the previous government in an effort to provide greater stability on farms was a program of accelerated marketing research, a program that I feel is necessary if the increased production that is a result of better research, a better application of the products of research, is to find markets. These four items of the previous government's farm program—which, incidentally, were not too well received by the opposition at that time—have become the mainstay of the agricultural program and have formed the bulwark of the program designed to provide some stability in agricultural prices.

At the present time crop insurance in the province of Manitoba is extended to about 6,000 farmers, as the minister indicated, with a total liability of something like $14 million. At the time the program was initiated, in the 1960-61 crop year, something like 2,500 farmers signed up for the program, with a total liability of $4 million. With the provisions of this amendment to the Crop Insurance Act it is hoped that within the province of Manitoba the total liability next year, covering about 50 per cent of the farmers, will amount to something over $25 million.

We can readily see that with the extent of this coverage the liability assumed by the province is far greater than the resources that a provincial government is capable of bearing in the event of a disastrous crop loss. So the introduction of this legislation is designed to provide that the federal government will assume that liability; not at any loss, I might add, to the federal treasury over the long period, because the premiums being paid by the provinces will be actuarially sound and designed to take care of crop losses over a period of years.

The minister mentioned that the period of research that had gone into the development

of the crop insurance program went back 35 years. I think it was based largely on the Prairie Farm Assistance Act. I have always felt that for several reasons the Prairie Farm Assistance Act, although in some respects it might be followed, is not an accurate or reliable guide to follow in the developing and processing of data for crop insurance programs. First of all, in a crop insurance program there will be a number of areas that are engaged in the production of grain at the present time that will not be covered by crop insurance because the premiums, the risk factor, in those particular areas are too high for the farmers to take advantage of crop insurance. Therefore, in my opinion they will seek other forms of production, perhaps other forms of production more remunerative to those particular areas and perhaps more suitable for the type of soil in those regions. Second, Mr. Chairman, the advances that have been made in technology, in farming methods, over the past number of years would tend to minimize the risk factor as opposed to 35 years ago. I am speaking of the extensive use of pesticides, which have minimized crop losses due to insects, which was at one time a source of some difficulty which the farmers had to face in relation to crop yields. The use of insecticides and herbicides has done a great deal to increase production. Fertilizer application and more modern methods of farming have all contributed to higher average yields than was the case even in the 1930's. I think the figure for the average rainfall during the 1959-1964 period was far less than it was during the 1930's; yet the experience particularly of 1961, when the drought situation was considered quite severe in western Canada, shows that the yield for that year was much higher than any of the yields we experienced in the 1930's when the drought was perhaps not quite so severe. I think this can be attributed to the fact that farmers are taking advantage of the more modern methods of farming and are using more fertilizer, pesticides and herbicides. So I think that we can logically expect that the experience over the next few years of the incidence of crop loss will be that it will be lower than it was in the past number of years, and for that reason I think we can look forward with some degree of optimism to the application of crop insurance. Because of the risk factor the premiums will be lower and the cost to the farmer not as great as some people have anticipated.

I have heard many farmers, and indeed speakers in this house suggest that rather than introducing amendments to crop insurance legislation, or even introducing crop insurance legislation itself, we should simply amend the Prairie Farm Assistance Act and develop that program to replace crop insurance. I should like to draw the attention of the committee to some of the difficulties which might be involved in amending the Prairie Farm Assistance Act to meet today's conditions, and if the variability of income due to crop losses is also to be met.

In 1939 P.F.A.A. was intended as a relief measure, and as such has done I think a creditable job over the years. The difficulty with the Prairie Farm Assistance Act regulations is that the regulations do not apply on an individual basis, and in my opinion it would be a mistake to attempt to make payments on an individual basis under P.F.A.A. unless some effort were made to amend the regulations so as to change the method of payment into the fund. At the present time the levy is imposed on the deliveries of grain to the elevator on the basis of 1 per cent of the value of the grain sold. If the levy were simply increased this would mean that those farmers selling the most grain—who ostensibly would be the farmers who were the most productive and successful—would be paying into the fund a great deal more than those farmers who suffered crop losses year after year. To a large extent it is obvious if one examines the record of P.F.A.A. that the majority of payments made under the Prairie Farm Assistance Act are in specific areas. If one examines these areas a little more carefully he will discover that to a large extent these areas are classed either as marginal or submarginal areas.

Therefore the Prairie Farm Assistance Act, although as I have said a creditable piece of legislation which has done a tremendous job over the years, is diametrically opposed to the attempt today to encourage the proper utilization of the land. We have two acts; we have the Prairie Farm Rehabilitation Act which is calculated and designed to encourage proper utilization of land, and more recently the ARDA legislation, which is intended to do the same thing. My view and my experience of prairie farm assistance is that it has the opposite effect and a tendency to encourage improper use of land, for the reason that there are two programs here diametrically opposed one to the other. The natural result is, first, confusion in the minds of the farmers, and second, an improper utilization of their resources.

I suggest to the committee that simply making amendments to the Prairie Farm Assistance Act, of which there have been many, will not resolve this basic difficulty and take care of the situation I mentioned earlier with regard to the need for larger payments in the event of crop losses. Anyone with experience in farming today knows full well that a payment of $800, which is the maximum payment under P.F.A.A., will do nothing to offset the cost incurred by a farmer whose expenses amount perhaps to $10,000 to $15,000 a year. Something more realistic, something which will take care of the cost involved in production today, is necessary, and I feel that this legislation is the answer. I am glad to see that the minister has chosen this time to introduce this amendment, because in my opinion it is necessary if the provinces are to take advantage of the provisions of the Crop Insurance Act.

I might mention that under P.F.A.A. something like $330 million has been paid out up to the report of last year. At the same time there has been collected and paid in by the farmers themselves, I might add, some $142 million, with the difference of something like $187 million being taken up by the federal treasury. I would venture to suggest that the statistics developed by the crop insurance corporation in the province of Manitoba, as well as by the Department of Agriculture, clearly indicate that if crop insurance had been in effect during that same period of years in Manitoba the amount of money paid into the province under crop insurance would have been considerably less than the amount paid under the Prairie Farm Assistance Act, and the benefits to the farmer would have been considerably greater.

Every argument I have attempted to put forward here this afternoon on behalf of crop insurance indicates that the need for this legislation and amendment to this legislation is very great, and we are certainly pleased that the minister has finally introduced this amendment. But in saying that, we hope the government do not take the stand that this particular amendment to the crop insurance legislation is going to be the final word on crop insurance, because it is far from that. Crop insurance, like any other program, must be continuing. It must be continuously examined in the light of existing conditions and amended wherever necessary. As I said earlier, there need be no fear on the part of the government that because it has introduced this legislation there is going to be a great deal more expense incurred by the federal treasury. In my view there will be far less because there are many ad hoc programs now in effect to take care of crop disasters. We had an example of this recently in the Ottawa valley, when the provisions of the feed grain assistance program were implemented to provide assistance to farmers who suffered losses of hay and losses from starving cattle, a fact which was dramatically portrayed in a picture I saw in one of the Ottawa newspapers. I recall that a number of years ago the crops in western Canada were unharvested and remained out all winter and some assistance was provided at that time. Disaster loans have been provided. All of these ad hoc arrangements, which are designed to take care of particular situations arising from time to time, can fully and completely be taken care of under a comprehensive crop insurance program. For this reason, as I said earlier there need be no fear on the part of the government or on the part of anyone in the country that vast sums of money from the federal treasury will be poured into this program, because such is not the case.

The first two provisions of the measure stipulate that the federal government shall pay 20 per cent of the premiums and 50 per cent of the administration costs of the money paid out. This is true, but it is no more than is being done under the provisions of the unemployment insurance fund. In my opinion this is not so costly that the people of Canada cannot assume this responsibility, when you consider the value received for the dollars they put in, when you consider the stability it provides for agriculture and when you consider that agricultural stability provides stability in the economy because farmers are able to purchase the machinery and other things they require, which keeps the factories and the people working in those factories busy.

This was amply demonstrated within the past year. The huge sales of wheat to communist China and Russia and the buoyant market situation have provided a buoyant economy in this country, and I think to a large extent this is a reflection of the ability of the farmers to purchase these items of machinery. Anything that can be done to provide for real stability in agriculture is money well spent, as far as I am concerned.

Again, I do not think it is necessary for us to limit our sights to the provision of crop insurance for crops only. What is wrong with thinking in terms of catch insurance

for fishermen? What is wrong with thinking in terms of providing insurance for hay crops as well as potato, other vegetable and tobacco crops? All these crops can be profitably insured and provide the degree of stability which, as I said earlier, is so necessary today to meet the high costs of production.

In my own province of Manitoba the crop insurance corporation has provided for the efficient farmer, the farmer who is farming his land in the best possible manner, the opportunity to get his insurance somewhat cheaper. This is based on the same principle as ordinary insurance. Where the risk factor is smaller the premiums are smaller. The result is better farming methods, which the government simply must encourage, and a lower cost to the farmer for insuring his crop. In addition, it is consistent with our aim of maximizing the efficient use of all our resources, human, financial and land.

In conclusion I should like to read the last paragraph of a statement made by the minister of agriculture of the province of Manitoba, Hon. George Hutton, to the federal-provincial conference on agriculture held in Ottawa in 1962. I think this is something that will give us some food for thought when we are considering this legislation.

He said:

> We think that there is one question that should be squarely faced—should governments sit back and be forced by circumstances into programs which may be mediocre or poorly planned or do governments have some responsibility to sell a program of value to the farm community?

This is certainly my opinion so far as crop insurance is concerned. I am somewhat distressed by the reluctance of some provincial governments to participate more fully in a crop insurance program.

> For generations the threat of crop loss due to natural disaster has hung like a cloud over the farmer of Canada, especially in the west. We know that the loss of production has been the most significant factor in years of low income to farmers and the largest contributing factor to instability in farm income. I think that if you will study the principles of crop insurance you will find an application to your province. You will find that there is a planned approach to this whole question of assistance at times of crop disaster. The farmers are ready; the farmers are willing. We should be too.

I think this sums up my attitude with respect to this legislation, and again I should like to thank the minister for introducing it at this time.

Mr. Douglas: Mr. Chairman, the members of this party have always been strong supporters of the idea of crop insurance. As far back as 30 years ago we placed in our program crop insurance and unemployment insurance as two of the methods of protecting people against a disastrous decline in income. We advocated at that time that there should be unemployment insurance for those who, through no fault of their own, were thrown out of work and that at the same time there ought to be crop insurance for those farmers who, also through no fault of their own, were deprived of their normal livelihood. We campaigned very hard for that during the 1930's and for that reason we welcomed the Prairie Farm Assistance Act when it was introduced in 1939, and we supported that measure.

I have always looked upon the P.F.A.A. as really being the farmers' equivalent of unemployment insurance. While it is true, as the previous speaker said, that the government of Canada has had to subsidize P.F.A.A., it is equally true of course that the unemployment insurance fund is subsidized, since its revenue is made up of a three way split, contributions by the employee, employer and the government of Canada. Therefore I do not think that prairie farmers need to apologize at any time for the fact that the 1 per cent levy on their grain which they contribute to the fund has not been sufficient to cover the cost, with the result that over the period of years since 1939 very considerable contributions from the federal treasury have been required.

I am one of those who felt that the P.F.A.A. legislation could be revamped and extended into a genuine national crop insurance plan. I agree completely with the last speaker that it would have to be almost entirely revamped and reorganized in order to make the P.F.A.A. system applicable across Canada and applicable to all the different types of farmers on an equitable basis. I think this could have been done, however. To do this it would have been necessary to divide the country into regions and each province into regions. I think the levy would have to vary from district to district according to the productivity of that area so that the levy would be higher in high risk areas and lower in the good crop communities.

I also think, as he does, that to have extended P.F.A.A. and make it a national crop insurance plan it would have been necessary to insure farmers on an individual basis. But that is not as difficult now as it would have been 25 years ago because the farmer has his permit book from the Canadian wheat board, he has to register how many acres he

is sowing to different kinds of crops and the government has a record of every bushel he delivers to the elevator. Therefore it would not be as difficult now as it would have been 25 years ago to pay benefits from a national crop insurance plan on an individual basis.

The problem of the farmer who stays on land which should be taken out of production would be met to a very large extent by varying the levy according to the area and according to the production record. It would also have been necessary to extend the benefits of a national crop insurance plan organized on the P.F.A.A. pattern to cover crops other than cereal grains. I think this might have been done. I was very sorry at the time it was not done because I think P.F.A.A. had caught the imagination of the farmers. It had demonstrated its worth as a stabilizing factor in farm income.

I still think, had it been extended into a national crop insurance plan the farmers would have accepted it. It would still have been possible to take advantage of that and to have had crop insurance either run by private insurance companies or by municipal hail insurance groups, or by provincial governments to provide additional crop insurance if the farmers wanted it. I think a national crop insurance plan that would have provided a minimum guaranteed return to every farmer in the event of a crop failure would have been accepted and would have been extremely beneficial. I have always regretted that this step was not taken.

Instead, in 1959 the Crop Insurance Act which it is now proposed to amend was brought into effect. I think all members will agree that it has not been an outstanding success in terms of the extent to which farmers have availed themselves of it. Only three provinces have entered into agreements with the federal government. In the case of Prince Edward Island only 75 farmers, I think, come under the plan, so one can virtually rule them out and say that really there are only two provinces, Manitoba and Saskatchewan, that have made any extensive use of this plan. Now, a national crop insurance plan that covers in all of Canada only about 6,000 farmers out of 400,000 farmers is a long way from a national crop insurance program.

There is no doubt in my mind as to why there has not been greater acceptance of this plan. The crop insurance plan that was introduced in 1959 transferred from the federal government to the provincial governments what had been solely a federal responsibility. It laid upon provincial governments a responsibility which they could not possibly discharge if that plan went beyond a merely pilot project stage. Up until 1959, the entire cost of operating crop insurance that we had under P.F.A.A. was met either from the 1 per cent levy which a farmer paid on his deliveries of grain, or from the federal treasury. But when crop insurance was introduced the provincial governments, that had up until that time no financial responsibility whatever, found that they were to be called upon to pay, first of all, 50 per cent of the administrative costs; second; since the federal government was paying 20 per cent of the premium costs the provinces were expected to match this, so the provinces were now called upon to pay 20 per cent of the premium costs. These two items, if the plan were to have very widespread acceptance, could amount to a considerable sum of money.

However, I do not believe that was the main reason the provinces were cautious and reluctant about entering into crop insurance. What really frightened the provinces was the fact that under the crop insurance legislation they were underwriting the entire cost of a large scale crop failure. Under the act as it now stands, in the event of a crop failure if the reimbursements exceed the amount of the premiums which have been collected and the reserves which have been built up, the provinces must pay the first $200,000. They may then borrow from the federal government 75 per cent of the balance. What does this mean? It means that in addition to the provinces paying 50 per cent of the administrative costs and 20 per cent of the premiums they could, in the case of a severe crop failure, be called upon to pay $200,000 plus 25 per cent of the balance of the cost of the crop failure, and accept as a contingent liability the other 75 per cent.

As long as the crop insurance plan is on such a very small scale as it has been in Manitoba and Saskatchewan, this has not been a serious problem. However, every member here knows that if we had any of the catastrophic crop failures such as we have had in some parts of Canada, particularly the prairies, if we had a drought, frost or an infestation of grasshoppers or a severe rust epidemic which took out an entire crop—and this has happened in the past—the amount for which the provincial government could find itself responsible might be in the tens of millions or even hundreds of millions of dollars, if the plan covered every farmer in the province. This is why the provinces have been extremely wary about rushing

into a crop insurance agreement with the federal government or to sign up farmers on a very large scale. I must say, Mr. Chairman, that I do not believe we will ever have a national crop insurance plan unless the federal government is prepared to accept a much larger share of the financial responsibility than they are doing under the present legislation.

It is true that in the legislation which the minister is now bringing down this burden is ameliorated somewhat. There is to be some provision for reinsurance and some additional assistance by the federal government if the provinces get into financial difficulty. I do not want to discuss the details of that until we have had a chance to look at the bill itself. The point I want to make is that even the provisions which are outlined now by the minister are not sufficiently generous to make it possible for the provinces, with any degree of enthusiasm, to enter into a crop insurance arrangement. Unless the federal government is prepared to assume by far the major portion of the financial responsibility and leave to the provinces mainly the administration and a very small financial contribution, we are not going to have crop insurance on a nation-wide basis.

This crop insurance plan we have at the moment is simply a pilot project. It will be useful in the future to farmers who have availed themselves of it. It will be useful to the government in that it will enable them to gather statistics, to work out techniques, by which crop insurance may be improved and extended. If the minister wants to do something for the farmers he had better start working on a national crop insurance plan, and if he wants such a plan to be accepted, then he must either make it a national plan, operated by the government of Canada, similar to the Prairie Farm Assistance Act, or if he wants to decentralize he must be prepared to offer the provinces much more generous terms than those contained in the present act, or those forecast in the legislation he proposes to bring down.

Mr. Olson: In the few minutes left before we rise I would like to say that the resolution before us is a step in the right direction toward a national, comprehensive crop insurance scheme, but in my view it is a very limited step.

I must draw your attention, Mr. Chairman, to the fact that there seems to be a great degree of unanimity between the Conservative party, the New Democratic party and the Social Credit party with respect to some of the lessons we have learned over the years regarding crop insurance, and particularly the provisions of P.F.A.A. As has been pointed out a number of times today, this legislation requires complementary legislation to be passed by the provincial legislatures before it has effect in any of the provinces.

It has been pointed out that for a number of years there have been pilot projects in Manitoba and Saskatchewan and that these projects have not been completely satisfactory. We also know that Prince Edward Island has very timidly moved into this field, and that during the past session the Alberta provincial legislature considered legislation to set up a crop insurance program. Up to the present time these programs have not been too successful, but on the other hand we have had 25 years experience evolving a satisfactory crop insurance scheme within P.F.A.A. for most of the prairies. It would be unfortunate if we were to try to sidestep all of the experience and practice that has come from that operation.

Progress reported.

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker, with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to amend the Farm Improvement Loans Act.

An act respecting the Guarantee Company of North America.

An act to incorporate Congregation of the Marist Sisters.

An act to incorporate Meota Pipe Lines Ltd.

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

HOUSE OF COMMONS

Thursday, September 17, 1964

The house met at 2 p.m.

CANADIAN FLAG

CONCURRENCE IN FIRST REPORT OF SPECIAL COMMITTEE

Mr. H. M. Batten (Humber-St. George's) presented the first report of the special committee on the Canadian flag, and moved that the report be concurred in.

Motion agreed to.

EXTERNAL AFFAIRS

COLUMBIA RIVER—TABLING OF ACCORD ON RATIFICATION OF TREATY

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I should like to table an accord signed yesterday at the international peace arch by the Prime Minister of Canada and the premier and president of the executive council for British Columbia, with regard to the ratification of the Columbia river treaty and the coming into force of the protocol to that treaty.

HEALTH AND WELFARE

INCLUSION OF MENTAL PATIENTS UNDER HOSPITALIZATION PROVISIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not know whether the Acting Prime Minister can give an answer in this regard, but I should like to ask him if the government is now negotiating with the provinces with a view to bringing into effect a plan whereby mental patients will be included under the hospitalization scheme.

Hon. Paul Martin (Acting Prime Minister): I wonder if I may take that question as notice and bring it to the attention of the Minister of National Health and Welfare, who today is engaged on official business outside the house.

NATIONAL DEFENCE

NORAD—REPORTED STATEMENT BY DEFENCE RESEARCH BOARD CHIEF

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Acting Prime Minister. Has the hon. gentleman's attention been drawn to a statement by Dr. R. J. Sutherland, chief of operational research for the defence research board and one of the principal military advisers to the Minister of National Defence, who is quoted as saying, "It is beyond question that within the total spectrum of the western military programs the importance of North American air defence has diminished". Mr. Sutherland is also quoted as saying that the ballistic missile has relieved the problem of the extreme vulnerability of the strategic deterrent forces.

In view of the fact that this vindicates the position taken by this party, I should like to ask the minister whether the government now intends to begin negotiation with the government of the United States to discontinue the maintenance of Bomarc nuclear missile bases on Canadian soil.

Hon. Paul Martin (Acting Prime Minister): I did read the statement. I will ask my colleague the Minister of National Defence whether he cares to comment on it. Perhaps he wishes to study it further.

Hon. Paul Hellyer (Minister of National Defence): I do not think the conclusion reached by the hon. gentleman can legitimately be drawn from the text of Mr. Sutherland's statement. If he would look at it closely I think he would find that with respect to the requirement for continuation of North American air defence it reflects fairly closely the view contained in the white paper tabled in March.

Mr. Douglas: Perhaps I could ask the Acting Prime Minister this. In view of the fact that during the last election the Liberal party which the government represents spoke of negotiating itself out of a nuclear role, and in view of this statement by Dr. Sutherland

that the importance of the North American air defence role is greatly diminished, when does the government intend to begin negotiating Canada out of a nuclear role in NORAD?

Mr. Martin (Essex East): Without agreeing with the premise stated by the hon. gentleman, I would remind him that I dealt with this question some time ago in answer to an inquiry addressed to me by one of the hon. gentlemen opposite. I forget the exact date. Perhaps the hon. member for Burnaby-Coquitlam and I could get together and look at that reply.

Mr. Churchill: There was nothing in that answer.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Secretary of State for External Affairs whether the government has concluded that the NORAD plan is becoming obsolete. Was this a leak which was deliberately provided to ensure that a foundation is laid for setting aside NORAD?

Mr. Martin (Essex East): There would be no basis for such a conclusion. Mr. Sutherland noted in his statement, which was widely reported today, that he was speaking only for himself.

Mr. Diefenbaker: Has the government given any consideration to the elimination of NORAD, by agreement with the United States? Is anything being done at this time to achieve that end?

Mr. Martin (Essex East): I have just said that nothing of that kind is being done. The answer to that question is, of course, no.

Mr. R. Gordon L. Fairweather (Royal): I have a question for the Minister of National Defence. Is it a fact that the government does not intend to invest funds in any new jet planes which can operate only as interceptors, in view of Mr. Sutherland's private or public posture?

Mr. Hellyer: The general requirements for tactical aircraft have been set out in the white paper and the department has been studying what types of tactical aircraft might be available and what their general capabilities and performance would be.

Mr. Churchill: That is no answer.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the light of the Acting Prime Minister's statement that Mr. Sutherland was speaking for himself, could the Minister of National Defence say whether the speech was delivered with the minister's knowledge; and if so, did he agree with the content of the speech?

Mr. Hellyer: It was given with my knowledge, but it was on the understanding that Mr. Sutherland would express his own views and would state that this was the case.

Mr. Diefenbaker: That is a most devious explanation.

Mr. Lambert: A supplementary question, Mr. Speaker. Would the Minister of National Defence not agree that it is a rather extraordinary position that one of the chief advisers to the minister in military affairs should be allowed to speak on his own account to an organization such as the Atlantic treaty association.

Mr. Hellyer: Not at all, Mr. Speaker. Mr. Sutherland is the chief of operational research. He does research and provides facts for the consideration of the defence staff and the defence council. He does not give military advice as such. If I may, Mr. Speaker, I would like to comment on an interjection made by the right hon. leader of the operation—

Some hon. Members: Oh, oh.

Mr. Hellyer: I mean the Leader of the Opposition, but that was right; "operation muzzle". He said this was a devious operation. I can recall that when he was prime minister of this country he refused to let anyone associated with the Department of National Defence speak out for fear they would say something which would cause some embarrassment to his government.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, I ask the hon, gentleman this question. Did he look over the speech in advance? Did he make any alterations or suggestions? What manner of system is this, when a minister sees what is going to be said and allows it to be advanced? Is this the new policy of the Department of National Defence?

Mr. Hellyer: The system was set out in the bill of rights, that there are some rights in this country to express opinions freely, and no censorship.

Mr. Diefenbaker: Mr. Speaker, I should be allowed to say that the bill of rights, that was ridiculed by these people, now becomes the keystone to them. I am glad the hon.

gentleman has learned that the bill of rights means something. I ask the hon. gentleman, did he peruse this speech in advance? Did he make any suggestions? I ask him to answer carefully, because the facts are known.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Did he make any suggestions as to change?

Mr. Hellyer: He made no suggestions, Mr. Speaker. And may I reiterate that a bill of rights must be upheld in practice if it is to have real meaning. I believe in the bill of rights; I believe in free expression of opinion. For that reason I could see no reason why Mr. Sutherland should not be allowed to address the organization and express his views freely.

Mr. Diefenbaker: Mr. Speaker, I ask the hon. gentleman, after that high minded declaration, why then did he have a perusal in advance? Was it to see whether what was going to be said was in his favour?

Mr. Hellyer: It was so I would be able to answer the right hon. gentleman's questions.

Some hon. Members: Hear, hear.

Mr. Douglas: A supplementary question, Mr. Speaker. The Minister of National Defence has established that Mr. Sutherland expressed his own views. I would like to ask the minister whether he disagrees with Mr. Sutherland's views, particularly when Mr. Sutherland says that the primary purpose of the North American air defence system is not the defence of North America?

Mr. Hellyer: I would not want to take complete responsibility for what he said. I find that in public life one carries a sufficient yoke if one accepts responsibility for one's own utterances.

Mr. Douglas: A further supplementary question, Mr. Speaker. I am not asking the minister to accept responsibility; I am asking him whether he agrees with this very important military thesis expounded by someone in his department in a speech which the minister himself saw before it was made. I am asking the minister whether he agrees with it.

Mr. Diefenbaker: No answer.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in view of the fact that it is in fashion to ask the ministers to comment on speeches, I would like to ask this question. Does the minister agree with the statement made by the hon. member for Vancouver Quadra—who incidentally is a member of the defence committee—in an address recently before the Vancouver Rotary club, when he said that the defence department is the "Kremlin of Canadian bureaucracy"?

Mr. Speaker: Order, please. The hon. member was nice enough to send me a copy of the question he proposed to ask. I must say that in my opinion the question is completely out of order on at least two grounds. First of all, he is asking for an opinion from the minister on a statement made outside the house by a private member; and second, under the rules given me, questions should not inquire whether statements made in a newspaper are correct.

Mr. Herridge: Then may I rephrase my question. Does the minister believe that the defence department is the Kremlin of Canadian bureaucracy

Mr. Hellyer: I would say yes, Mr. Speaker, if it is understood that the definition of "Kremlin" is a depository for hard working and devoted servants of the nation.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Secretary of State for External Affairs. I wonder whether the minister would not like to make a slight correction to his earlier answer to the hon. member for Burnaby-Coquitlam, who questioned the minister with regard to negotiating out of our nuclear role. The minister referred the hon. member to an answer he had given me in the house earlier this session, which may be found at pages 6759 and 6760 of *Hansard*. Perhaps the minister would now like to tell the house that he did not give me an answer to that question. His words were lengthy, but he said he would be glad to take the question as notice. Having taken it as notice on August 13, I am still waiting for an answer.

Mr. Martin (Essex East): Mr. Speaker, I will take notice of my hon. friend's question.

ARMAMENT OF EUROPEAN AIR DIVISION

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of National Defence. Yesterday in the course of answering a question I put to him he informed me that the CF-104 Starfighters, of which there are six squadrons in Germany,

have a primary strike role, and that two squadrons in France have a primary role in reconnaissance. I wonder if there is any other reason than that of present government policy for retaining these two squadrons in a reconnaissance role, any reason other than the explanation given thereafter by the minister? Further in regard to the same question, he concluded by saying:

—we have certain administrative requirements in order to fulfil our commitment.

Could he enlarge on what those administrative requirements are?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think this is the time to get involved in a debate on national defence. I would be quite glad at the appropriate time, perhaps when the estimates of the department are being considered, to enlarge on this subject; but as my hon. friend very well knows, the commitment undertaken by the government of which he was a supporter was in the strike reconnaissance role. Perhaps it was unfortunate this term was used in the first instance, because it meant airplanes would be equipped for the strike role and other airplanes for the reconnaissance role.

The original plan was to have some reconnaissance planes in each squadron with the strike aircraft, but unfortunately special ammunition storage was not possible in France, and in order to alleviate this problem the squadrons were regrouped; all reconnaissance aircraft were put in two squadrons, and all strike aircraft were put in six squadrons. As I have already explained to the house, this was the best solution under the circumstances.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Secretary of State for External Affairs whether the failure of the Minister of National Defence to make the air division in Europe an effective fighting force does not limit the effectiveness of the minister's statements concerning agreements with our NATO allies?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend knows perfectly well that that question has no justifiable foundation.

Mr. Churchill: Does not the situation disclose a difference of policy between the two departments and the two ministers which surely, in the words of the minister, is not conducive to the development of a strong and respected position for this country in the United Nations and elsewhere in the world?

Mr. Martin (Essex East): Mr. Speaker, I am of course aware that my hon. friend's questions in this particular area are intended to be provocative—

Mr. Churchill: No; helpful.

Mr. Martin (Essex East): —nevertheless, because he has put this question I take advantage of the opportunity to say that one of the achievements of this administration is that there has been a clear appreciation by the Department of National Defence and the Department of External Affairs of their dependence one on the other in the matter of policy. Indeed, the present Minister of National Defence in my judgment deserves a great deal of credit for the recognition that defence policy must be consistent with foreign policy. This is one of the cardinal principles of the white paper.

I do not like to make disparaging remarks about former administrations, but I have a suspicion that, following what I have just said, it will be recognized that there is a great difference between the co-operation existing now between the Minister of National Defence and the Secretary of State for External Affairs as compared with the lack of co-operation between these ministries in the former government.

Some hon. Members: Hear, hear.

Mr. Churchill: May I ask a further supplementary question. Is there not a definite and obvious lack of co-operation between the two ministers now with regard to our air division in Europe, which is ineffective and which fails to live up to our obligations to the NATO military organization?

Mr. Martin (Essex East): I wish, in a very kindly way, to tell the hon. gentleman that there is no lack of co-operation between the Minister of National Defence and myself on this matter. The lack of co-operation in this instance is between the hon. gentleman and myself.

REDUCTION IN UNIVERSITY NAVAL TRAINING UNITS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): I have a question for the Minister of National Defence. Considering the fact that two thirds of the Canadian navy is based on the Atlantic coast, in the closing of eight Royal Canadian Navy university training

units how can the minister justify the fact that four of them should be located in the maritime area, namely one in Prince Edward Island, one in New Brunswick and two in Nova Scotia?

Hon. Paul Hellyer (Minister of National Defence): As I explained yesterday, the closing of the university training units was related not to the permanent navy but to the naval reserve and the availability of naval reserve units to absorb the officer output from the universities. I am sure the hon. member will be pleased to know that commencing a year from now, when the new integrated units are established at the universites, it will be possible to take entrants from each of the armed forces because the facilities will be available, as a result of the reduced overhead costs which can be achieved through the integration of the units from three or two into a single unit.

Mr. MacInnis: Possibly the minister, on re-examination of this particular problem, would find that the very argument he put forward in defence of his stand would work to the benefit of the maritime universities—

Some hon. Members: Question.

Mr. MacInnis: And in these circumstances there should be reconsideration of the government's decision which means that 50 per cent of the closings are to be made right in the centre of the naval bases.

UNEMPLOYMENT INSURANCE

MONTREAL—BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I intended to ask the Minister of Labour a question, but seeing that he is absent and considering the importance of the yuestion I shall put it to the Acting Prime Minister.

Does the government intend to get in touch with the unemployment office in Montreal so that the employees of the newspaper *La Presse,* who are without work because part of the staff is on strike, may receive unemployment insurance benefits?

Mr. Speaker, I do not know whether the Acting Prime Minister expected me to ask that question, but I find he just woke up. Of course, so soon after a meal—

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I must say that I was watching the Leader of the Opposition.

Would the hon. member be kind enough to repeat his question?

Mr. Grégoire: Mr. Speaker, the Leader of the Opposition may be peculiar enough to watch, but my question was important and for the information of the Acting Prime Minister, in the absence of the Minister of Labour, I will repeat it.

Does the government intend to get in touch with the unemployment insurance office in Montreal so that the employees of the newspaper *La Presse,* who are out of work because part of the staff is on strike can draw the unemployment insurance benefits they are entitled to?

Mr. Martin (Essex East): Mr. Speaker, I thank the hon. member for asking his question. I shall bring it to the attention of the Minister of Labour.

Mr. Grégoire: A supplementary question, Mr. Speaker.

Could the Acting Prime Minister also call the attention of the Minister of Labour to the fact that a similar situation was dealt with in Toronto after the strike was on for only three weeks, while in Montreal, after three months and a half, no decision has been taken yet?

[*Text*]

ADMINISTRATION OF JUSTICE

REVIEW OF CRIMINAL CODE PROVISIONS RESPECTING BAIL

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to direct a question to the Minister of Justice based on a story in the *Globe and Mail* this morning concerning a young boy who spent 11 weeks in custody on a rape charge because he could not raise bail, and who was subsequently discharged by a grand jury. The minister will know that this is only one example of our antiquated and backward bail system in Canada. Would the minister undertake a re-examination of the provisions of the Criminal Code relating to bail, with a view to bringing in amendments which will bring bail into line with modern penology and modern thinking?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, may I first say in answer to the question that I have not yet read the item in the *Globe and Mail,* but I am in a position

to say that the question of bail, including that of personal recognizance, is part of the study I am now making of the Criminal Code.

HAL BANKS—DISPOSITION OF BAIL FORFEITED

On the orders of the day:

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Could the minister tell us whether a request for forfeiture of bail has been introduced in the case of Hal Banks and, should that happen, would the amount of $25,000 fall in the coffers of the federal Department of National Revenue or in those of the provincial department?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I think that, as my hon. friend knows, the matter of the disposal of sums of money coming from a forfeiture of bail is essentially a legal matter, which has been under discussion for some time between the provinces and the federal government.

I think that between my departure from the Department of Justice and my return to that same department, an agreement was concluded between the provinces and the federal government, but I am not in a position to give an immediate answer to that question.

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker. Could the minister tell us if his department scrutinized all the charges laid against Hal Banks to find one under which he could be extradited from any country?

Mr. Favreau: Mr. Speaker, as concerns the facts drawn to the attention of the department by any means whatsoever, that must be the policy to follow.

[*Text*]

EXTERNAL AFFAIRS

MEKONG RIVER—INQUIRY AS TO DEVELOPMENT PROJECT

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs and also to the Minister of Finance. My question is this. In view of the fact that several years ago Canada made a multi-million dollar contribution to the Mekong river development project, and since we have had no report on this project for some time, I believe about two years, would either the Secretary of State for External Affairs or the Minister of Finance undertake to give the house a report at some appropriate time, such as on motions, within the next week or so?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I wish my hon. friend had asked this question when the external affairs committee was sitting a few weeks ago, at which time we could have answered in detail. However, I assure my hon. friend we will report at the earliest moment possible under our procedures.

NATO—SPEECH BY MINISTER TO ATLANTIC TREATY ASSOCIATION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Secretary of State for External Affairs a question which I think will be helpful in the general interest of repairing some of the deterioration affecting Canadian prestige abroad. I base my question on the minister's speech to the Atlantic treaty association on September 15 in which he was sharply critical of our NATO allies. He used this sentence, and I am quoting:

> I believe the time has come to face these problems and honestly deal with them.

The problems referred to affect the fields of strategy, military integration, nuclear control, command structure and cost sharing. Would the minister not think it the part of wisdom to be more careful about his use of language, because his speeches are read with much greater interest abroad than they are at home. Which allies are not facing up to these problems, and which are not dealing with them honestly?

Hon. Paul Martin (Secretary of State for External Affairs): There was no suggestion that any member of the alliance was not dealing with problems having to do with the alliance honestly. The adverb is used there in a different context position which apparently my hon. friend does not completely appreciate. The statement I made was a sound statement, and I may say it had previously been made by my predecessor, Mr. Green.

Hon. Paul Martineau (Pontiac-Témiscamingue): I should like to ask the minister if it is fair to conclude from the answer he has given that he was incorrectly quoted by the press?

Mr. Martin (Essex East): It is only weak minded men who make that statement, and as I do not have a feeling of insecurity, I am not making it.

REQUEST BY CALVIN MACDONALD FOR POLITICAL ASYLUM IN U.S.

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have a question for the Secretary of State for External Affairs which may sound facetious, but it is not. In view of the extraordinary situation where we have a man named Macdonald, who maintains he has been crucified because he was a secret service operator for the R.C.M.P., and who claims he can no longer get employment because of his communist contacts and contamination; in view of the fact that, as reported in the papers, he has asked for political asylum in the United States; and in view of the fact that his publicity agent threw a quart of beef blood on the floor of this house, may I ask the minister whether there is any understanding, agreement, arrangement or treaty between Canada and the United States respecting political asylum?

Hon. Paul Martin (Secretary of State for External Affairs): Without commenting on the merits of the question, Mr. Speaker, the matter of asylum in international law is not generally covered by treaty but by convention. I do not know how this will help in this particular situation.

[*Later:*]

Mr. Winch: I hope I am not being nasty, but I should like to direct a question to the Minister of Citizenship and Immigration because I am concerned about the growth of attention to and discussion of this matter involving Macdonald who has received such attention since his publicity agent threw blood on the floor of this house.

I want to ask my question, and I will put it this way. This man made application last week for political asylum in the United States, according to what I read in the press. His application was turned down by the customs and immigration officers in Vancouver. He has now made application for admission to the United States as a landed immigrant, together with his wife. I should like to ask the Minister of Citizenship and Immigration whether an effort has been made to determine whether this lady is in fact his wife and, if so, the whereabouts of the numerous children which Macdonald had and ignored for three years, only giving their mother $10 during that period, and this only in the last few weeks.

In view of press reports that Macdonald is now applying in Vancouver for permission to enter the United States with his wife as a landed immigrant, can the hon. gentleman tell us where the children are and whether the person seeking admission with Macdonald is indeed his wife? Perhaps I am nasty, but the whole situation is nasty—

Mr. Deputy Speaker: Order.

Hon. René Tremblay (Minister of Citizenship and Immigration): I will take this question as notice, Mr. Speaker.

TRANSPORT

VOLUME OF SHIPMENTS THROUGH PORT OF CHURCHILL

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Will the minister tell us whether he shares the concern expressed by the officials of the Hudson bay route association in regard to the volume of shipments through the port of Churchill so far this season?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I have not seen the reported remarks of the Hudson bay route association. All I can assure my hon. friend is that the wheat board is making every possible effort to see that that port is used to its maximum extent.

WORLD FAIR

POSSIBLE REQUEST FOR RESIGNATION OF COMMISSIONER

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I should like to reply to a question that was asked by the hon. member for Berthier-Maskinongé-Delanaudière on September 15. The hon. gentleman directed a question to the right hon. Prime Minister in my absence, concerning the government's intention in relation to the deputy commissioner general of the 1967 world exposition. The inquiry was raised in the light of the judgment recently delivered in an action against the Foundation Company of Canada Limited of which Mr. Robert Shaw was executive vice president.

I am sure that hon. members are aware of the outstanding work done by Mr. Shaw

since his appointment to the post of deputy commissioner general of the Canadian corporation for the 1967 world exhibition. He has contributed greatly to the satisfactory progress made in the development of this important project, and the government continues to have every confidence in his ability and integrity.

I have asked the commissioner general and the directors of the corporation to give the most careful consideration to the judgment of the court, and to let the Canadian government and the governments of the province of Quebec and the city of Montreal have the benefit of their views, as those having a direct interest in the success of the exposition.

I might add that it is typical of Mr. Shaw's high sense of public responsibility that when he was approached several months ago to accept appointment as deputy commissioner general he drew attention to the pending action against the Foundation Company.

IMMIGRATION

GANDER, NFLD.—DEFECTION OF CUBANS FROM CZECH PLANE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration. Would the minister confirm or deny a report that 14 Cubans left a Czechoslovakian airliner recently at the international airport at Gander, Newfoundland, making a total of more than 100 who have defected from aircraft there, and after being held by immigration authorities for 24 hours were transferred to immigration department detention quarters at Halifax?

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I want to thank the hon. member for giving notice of this question. The report is substantially correct. Fourteen Cubans left a Czechoslovak airliner at Gander airport on September 5. This brings to over 100 the number of persons who have left aircraft at Gander in this way in the past two years.

No decisions have as yet been made in these 14 cases. In accordance with normal procedure, an immigration hearing is convened in each case in order to obtain full particulars of the individual and his intentions. Some of these people wish to go to other countries, while others seek to remain in Canada. Those wishing to go elsewhere are put in touch with the authorities of the countries concerned. The cases of those seeking to stay in Canada are referred to Ottawa where I have the ultimate responsibility to decide whether to grant landed immigrant status or to allow the individual to stay under the authority of a minister's permit.

Pending final decisions the individuals concerned are accommodated in immigration quarters at Halifax or elsewhere.

BRIDGES

SARNIA, ONT.—REPORTED REIMPOSITION OF TOLLS

On the orders of the day:

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, I should like to direct a question to the Minister of Transport based on a claim this week that tolls have been charged illegally on the Blue Water bridge at Sarnia due to the failure of the bridge authority to file a schedule of tolls with the transport board. Is the minister in a position to say that this is indeed the case, and whether appropriate steps have been taken to correct this very unusual situation?

Hon. J. W. Pickersgill (Minister of Transport): Mr. Speaker, of course the hon. member for Kent (Ont.) will realize that the Blue Water bridge authority does not come under the direct jurisdiction of the Minister of Transport. I had heard indirectly something about this matter, and directed that some inquiries be made so that I would be informed, but I have not heard anything that might be called hard information about it yet. What I did hear was that there had been an inadvertent failure to deposit the tariff with the board of transport commissioners, and I imagine, if that was the case, that has already been remedied.

AIR TRANSPORT

SIGHT REQUIREMENTS FOR PRIVATE PILOT'S LICENCE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Minister of National Health and Welfare, and in her absence I would appreciate the parliamentary secretary taking it as notice and replying at the earliest possible opportunity. This question is of national interest.

Has the minister or one of her officials at any time requested a study by the defence research board and the institute of aviation medicine to determine whether people who possess monocular vision may be permitted to exercise the privileges of a private air

pilot? If these studies have been made and are available, will the minister table them at the earliest possible opportunity?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): I shall be pleased to do as the hon. member has requested.

SHIPPING

MEASURES TO CONTROL WATER LEVELS IN GREAT LAKES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I have a question for the Minister of Transport concerning the water levels of the St. Lawrence and the great lakes. Is there any integrated plan for the solution of the problems that exist, which we on this side feel is possible?

Hon. J. W. Pickersgill (Minister of Transport): I am sure the hon. gentleman, like all members of the house, appreciates the tremendous difficulty of having an integrated plan, having regard to the fact that the great lakes and parts of the St. Lawrence are international waters, and that jurisdiction over many aspects of our waterways is provincial rather than federal. I do believe their has never been a time when a more urgent effort has been made to secure maximum co-ordination among all the agencies concerned.

I am very hopeful that hon. members might see fit, perhaps next week, to agree to a motion in the name of my hon. friend the minister of northern affairs, which has been on the order paper for some time. If this were done the committee could be set up and hon. members would hear in detail from the head of the international joint commission and other public servants just what is being done in this field, about which there is real anxiety in all parts of the country. I feel we must endeavour to do our utmost to see that co-ordinated plans are worked out. Since it is not within the jurisdiction of any one government, it is not possible for any one government to have a plan of its own.

GRAIN

INQUIRY AS TO DELIVERY QUOTAS

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): On September 11 I directed a question to the Minister of Trade and Commerce as to when the Canadian wheat board expected to have all points in western Canada on the 1 bushel quota. The minister replied that a member of the wheat board was in Ottawa that day, and I wonder if he has a reply to that question now.

Hon. Mitchell Sharp (Minister of Trade and Commerce): I have just received the most up to date information, and I had delayed my reply until it was at hand. At the moment, out of 1,905 shipping points in western Canada only 450 now remain on a unit quota. The balance are either on 1, 2 or 3 bushel quotas. I am advised by the Canadian wheat board they expect all stations will be off the unit quota in the not too distant future, certainly well before the comparable date last year when this did not occur until December 23.

DOMINION-PROVINCIAL RELATIONS

STATEMENT BY QUEBEC MINISTER RESPECTING CO-OPERATIVE FEDERALISM

On the orders of the day:

[*Translation*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in connection with the question put to the Minister of Justice yesterday by the hon. member for Villeneuve (Mr. Caouette) concerning a speech on co-operative federalism made by the Quebec minister of natural resources, would the minister tell us today whether he was able to make sure that Mr. Lévesque was not misquoted and could he give us an explanation at this time?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I think that my personal attitude on this matter is rather well known, but I feel that the difference in viewpoint or concept either on co-operative federalism or any other political question, between a minister of any provincial government and a minister of the federal government, can hardly be the subject of a discussion in this house.

Mr. Heward Grafftey (Brome-Missisquoi): On a supplementary question, Mr. Speaker, would the minister contact the premier of the province of Quebec in order to know whether or not this Quebec minister was speaking officially for the province of Quebec, because it is most important to know that at this time?

[*Text*]

TRANSFER OF TAX REVENUES RESPECTING SHARED PROGRAMS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Last Friday I asked the Prime Minister if he

could state the amount of money involved by way of transfer of tax revenues from the federal treasury to provincial treasuries in consequence of the letters he wrote to the premiers on August 15. The Prime Minister promised to get this information, and I wonder whether the Minister of Finance has it now.

Hon. Walter L. Gordon (Minister of Finance): I do not think I should like to answer this question off the top of my head. As it is so important I wonder whether the hon. member would allow me to answer it on Monday; I shall not be here tomorrow.

Mr. Douglas: I understood the Prime Minister to say the information had been prepared.

Mr. Gordon: I am sure the Prime Minister did take notice of the question. But I was away, and he is away, and probably we did not get together on it.

EDUCATION

STUDENT LOANS—REPORTED LIMIT ON AMOUNT AVAILABLE

On the orders of the day:

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I wish to address a question to the Minister of Finance. I understand there is a limit on the amount of loans available to students in Ottawa and other areas. As a matter of fact I believe the limit here is some $400,000, which means that only 400 students will be able to obtain the maximum loan of $1,000. Will the minister consider asking that the amount available be increased so that all needy students will be able to take advantage of this important legislation?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I think my hon. friend has got mixed up in his zeros. The limit is $40 million.

Mr. Bigg: I only have this complaint made locally, but I understand there are 625 students here wishing to take advantage of the loans, and that only 400 will be accepted unless there is an enlargement of the limit.

Mr. Gordon: Mr. Speaker, the limits are set provincially. If there were any limits suggested locally within provincial boundaries, that has been done by the provincial government and is outside my jurisdiction.

Mr. Bigg: If this situation does exist will the minister take it under advisement?

[Mr. Douglas.]

Mr. Gordon: I shall be glad to look into it, Mr. Speaker. Perhaps I might say that the total amount of money provided under the legislation is $40 million for the first year, so it is inconceivable that any students in Canada who want to take advantage of this legislation should be prevented from doing so.

Mr. William Dean Howe (Hamilton South): Has the minister received representations from the Canadian union of students requesting a supreme court ruling or a test case on the Canada Student Loans Act? If so, what has been his reply?

Mr. Gordon: Not to my knowledge, Mr. Speaker, but I shall be glad to inquire.

Mr. Thomas M. Bell (Saint John-Albert): As a further supplementary question would the minister table or make available the different quotas for each of the provinces; because in spite of what he has said, in the case of New Brunswick they are already limiting applications to certain institutions?

Mr. Gordon: I shall be glad to do that, Mr. Speaker. It was made public, I think, during the course of the debate on second reading, but I shall look into it and I shall be glad either to table the quotas or answer the question on orders of the day on Monday.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker. Could the Minister of Finance tell us if the Quebec government asked for the money it is entitled to get under that program, in order to set up in the province of Quebec a system similar to the one existing in the nine other provinces?

[*Text*]

Mr. Gordon: The province of Quebec have their own program, which is a very comprehensive one, and they do not need to make any formal claim for compensation under the act. That is provided for in the act which was passed by this house, and they will receive the amount provided in the normal course.

STUDENT LOANS—DESIGNATION OF CREDIT UNIONS UNDER ACT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): I was about to ask the Minister of Finance a question, but apparently he has disappeared from the scene temporarily. Actually it is a question which, had time permitted, I would have addressed to the hon. gentleman yesterday.

It arises out of the reference he made to the relationship between the credit unions and the new student loans act. Perhaps this could be another question for the minister to answer on Monday; he has indicated he will answer several others.

I should like to ask him whether he has received any representations from the credit union league of British Columbia with respect to the omission from all the publicity in connection with this new student loans plan of any reference to the inclusion of credit unions. If so, what steps is the minister prepared to take to rectify this omission? My own observations confirm that there has been such an omission. It is not widely known that the term "bank" in the relevant section includes credit unions. Perhaps the minister would answer this question on Monday.

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The Minister of Finance has been called from the house. I will take the hon. member's question as notice and draw it to the attention of the minister later today.

CANADIAN CITIZENSHIP

REFUSAL OF CERTIFICATES TO PROFESSED ATHEISTS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Is the minister aware of a recent case in which citizenship was refused because the couple involved were atheists and could not take the oath "so help me God"? If so, is this consistent with the bill of rights with regard to freedom of religion, and will the minister look into this and report to the house?

Hon. René Tremblay (Minister of Citizenship and Immigration): I am not aware of this case, Mr. Speaker. I shall inquire and report later to the house.

WATER RESOURCES

STATEMENTS BY NORTHERN AFFAIRS MINISTER AND MEMBER FOR COAST-CAPILANO

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Acting Prime Minister on a subject upon which I have asked previous questions of great importance, namely government policy with respect to our water resources. In view of the great and vivid difference between statements made in this house by the minister of northern affairs with regard to water policy and the speech made by the hon. member for Coast-Capilano in Prince George recently, can the Acting Prime Minister inform the house which of them is stating government policy?

Hon. Paul Martin (Acting Prime Minister): Of course one of the statements was made by a member of the government. I do not know whether they are available or not, but in any event I would want to look at the original sources before making any comment.

INDUSTRY

IMPROVEMENT OF INCENTIVES TO ASSIST DEPRESSED AREAS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I wish to address a question to the Minister of Finance. Are investigations being carried out by officials of the Department of Finance or the Department of Trade and Commerce at the present time to try to make tax incentives for the attraction of industries to depressed areas more effective than they are at present?

Hon. Walter L. Gordon (Minister of Finance): Officials of the Department of Finance are always engaged in studies to see whether they can make these incentives or any other incentives more effective. I have nothing further to add on this subject at this time. If and when there is an announcement of government policy to be made it will be made at the appropriate time.

Mr. Coates: A supplementary question. Have the recommendations of Professor Wilson to the governments of the Atlantic provinces been given serious consideration?

Mr. Gordon: I have a copy of Professor Wilson's report. It is being studied, and certainly it will be taken into consideration.

CANADIAN BROADCASTING CORPORATION

ALLOCATION OF FREE TIME TO POLITICAL PARTIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before the orders of the day are called, may I direct a question to the Acting Prime Minister. My question relates to one I put to the Prime Minister on Monday of this week concerning the possibility of time being made available on the C.B.C. for the leaders of the three smaller

parties in view of the time given recently to the leaders of the two larger parties. No answer has yet been forthcoming, and I wonder whether one could be made soon. I have in mind that the leaders of the smaller parties might well speak on television without touching the question of the flag.

Hon. Paul Martin (Acting Prime Minister): The hon. gentleman will remember that his leader, for whom we all have great affection, suggested yesterday that we ought to have a moratorium on this subject. Nevertheless I shall be glad to see that the Prime Minister has his attention directed to this question. He will be back late tonight. He has been away, you know, on important public business in British Columbia.

Mr. Knowles: Mr. Speaker, may I point out to the Acting Prime Minister that I was not asking for time for the three leaders to discuss the flag. I am sure they do not wish to do that. I am asking for fairness in the matter of time allotted over the C.B.C. television network.

Mr. Martin (Essex East): The attention of the Prime Minister will be drawn to this.

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration (including the former vote for the operation and maintenance of official railway cars), $3,773,800.

The Chairman: Shall vote No. 1 carry?

Mr. Balcer: Mr. Chairman, I wonder whether the minister will be making a statement on this item.

Mr. Pickersgill: I had hoped, Mr. Chairman, some time before the day was over to make a statement which would incorporate whatever replies I could make to the observations of hon. members. In that way I would be sure to talk about the things members were interested in, and not just things that I was interested in.

Mr. Balcer: I know the committee will be disappointed, Mr. Chairman, because of course when the minister speaks he is always interesting, and everything he talks about is always of the utmost interest to all members of this house. But unfortunately for the committee, we shall have to wait.

[Mr. Knowles.]

[*Translation*]

Mr. Chairman, I should like to make a few remarks at the very outset of the consideration of the Department of Transport's estimates. I am very pleased that we should be examining these estimates, since the present minister has been in function for quite some time.

Having had the privilege of being minister of transport, I must say that I consider it the most interesting department in the whole federal administration. There has often been talk of dividing it, but I am convinced that the present minister would be very disappointed if such a decision was made.

[*Text*]

The Chairman: Order. May I bring to the attention of hon. members that it is very noisy and difficult for the Chair to follow the remarks of the hon. member who has the floor.

[*Translation*]

Mr. Balcer: Thank you, Mr. Chairman.

I am of the opinion that it is possible at the present time to run the Department of Transport without dividing it. But, and this is a personal opinion, I believe that it would make sense to take the management of the civil aviation division away from the Department of Transport. However, we must wait for the decision of the government before making any comment in that regard.

Mr. Chairman, the day after his swearing in, the Minister of Transport (Mr. Pickersgill) made a great play about a plan to give Canada, at long last, a national policy with regard to civil aviation. Everyone was very interested to learn that the minister was undertaking such a large scale project. Though couched in a rather mysterious language, the plan had roused everyone's attention.

Yet, for the information of those who followed the work accomplished within the Department of Transport in matters of civil aviation, I must say that since then, we had cause for wondering what the minister meant by "national civil aviation policy". We also have every reason to wonder why the minister reversed his decision. Could it be that he has abandoned that project he had announced with such fanfare? Indeed, as far as our two large international air lines are concerned, that is, Air Canada and Canadian Pacific Airlines, the only achievement in that direction we were able to see to date was the meetings of the two presidents at the minister's suggestion.

Mr. Chairman, I feel that the minister told the presidents of those two companies: "Now be good boys and try and get along together. Make an effort to see each other more often. There is really no problem; try to agree. Take your time, and we shall see how things stand later".

That is about all the national civil aviation policy that applies to those two large international lines.

At the time when the minister announced this new national civil aviation policy, the papers speculated quite a bit and wondered whether the minister meant that those two great lines would amalgamate, or whether Canada would decide to have one single large international service for all our international airways. The matter still comes up from time to time in the papers. We see some efforts being made in one direction or other, and I think that the house would be interested to know the present situation, because it is about time to put a stop to those rumours. Clearing up the matter in that way would give a certain peace of mind to the employees of those two companies, while allowing the directors of the two great international lines to progress and make plans for the years to come.

There is no doubt that during the last months, the two big international air lines have had very good financial results and that they are still bringing the name of Canada to the fore in the field of international air transport.

About the same time, the minister also announced great and mysterious plans concerning local air lines. There again, we have seen, as yet, no concrete results. As a matter of fact, newspapers reported that the minister had given to understand that the big air lines would probably have to give up some of their air routes for the benefit of local carriers.

For my part, I have not yet seen a single result of that project. If there have been any, I feel the minister should tell the house about them. There is no doubt that, when he made his statement, everyone interested in civil aviation in Canada saw in it the announcement of a new policy and then eagerly awaited the results.

Now, I recall that when I was minister of transport the opposition of the day was most critical of Canada's position, as compared to that of the United States, with regard to the bilateral agreements on civil aviation between our two countries.

I must confess that, in my capacity as minister, I was in no way satisfied with the situation. Our big air lines were undoubtedly quite right in insisting that the government make representations to the United States government, in order to improve the unfavourable position in which our two air lines found themselves compared to the American air lines.

Those bilateral agreements had been made by the previous government. We had to put up with those agreements and when we were in office, we made representations time and again to the American authorities on this matter.

I remember that during the last election campaign, the Liberal party said that if they were in office, they would settle the matter quickly and to the benefit of our air lines. Of course, there were meetings between our Canadian experts and the American experts, following a report to the President of the United States by Mr. Galbraith, the economist of international reputation. But up to the present, those discussions between our two countries have been unfruitful and we do not see what happy effects they might have for Canada.

I hope that during this debate the Minister of Transport will be able to report on this matter and announce certain progress, because it is very painful to see the position of both our great air lines as compared with the American companies.

When he answers those various questions, I would like the minister to give us his viewpoint with respect to the statement of the president of Air Canada the last time he appeared before the committee of the house, which goes into the financial report of that company.

The president of Air Canada actually stated that one of the reasons why he has always been in favour of a single international air line for Canada is the fact that to have two big lines in Canada placed our country in an inferiority position each time bilateral agreements have to be discussed with other nations. He gave as an example the discussions which were under way at that time between the United States and Canada.

To my mind that was an extremely important statement, and I believe the minister should tell us if the fact that we have two air lines in Canada is endangering our position.

According to my information, which is unofficial of course, the representatives of both air lines, who are in Washington as observers,

seem to get along fine at those talks. Therefore, I think the president of Air Canada has exaggerated the facts.

I think there ought to be an agreement between the two air lines, just as there are agreements between our two national railways.

It is absolutely ridiculous to think that we are not taking advantage of our rights.

For instance, Canada has the right to carry passengers, by virtue of what is called the five freedoms, between Paris and Rome. That is a route of very heavy traffic and all large carriers in the world make tremendous profits from it. But because of the relationship between our two main air lines, neither one is using that route which we are entitled to use.

You only have to imagine, for instance, the number of people who travel between Paris and Rome on the occasion of imposing ceremonies and large meetings like the ecumenical council in Rome. On that occasion, a great number of Canadian clergy go to Rome via Paris where they have to transfer to European carriers. It is so much income lost to Canadian air lines.

There is something else which could be to the advantage of our country. For instance, at this time, one of our two air lines has a flight to Tokyo and Hong Kong. If there could be an agreement between our two large carriers concerning the route between New York and Toronto, we could advertise, in New York, that the shortest route between New York and Tokyo is the one used by Canadian air lines that can fly north through Toronto, Vancouver, Alaska and land in Japan. But we are deprived of this advantage precisely because of the failure to agree between our two large air lines.

Mr. Chairman, I do not want to labour the point too long, but I must say that I am very anxious to hear what the minister will have to say.

While we are discussing the estimates of the Department of Transport, I should like to raise a point which has already been mentioned many times in the house in the form of questions on the orders of the day.

I am thinking of the passenger service between airports and cities. In my opinion, the problem is most serious and I am not blaming the present government more than any other, but I feel that the public is now at a great disadvantage. We have reached a point where the companies which transport passengers between the airports and the cities charge so much that their fares are very often more expensive than plane fares.

I think the department should fully investigate this situation.

Since exclusive rights are involved in this matter, I feel they should not take advantage of this monopoly to increase their rates, but on the contrary, their rates should be lower than those of companies providing regular city transportation services, and I mean taxis.

At the present time, air passengers may take either a limousine or a taxi. People who ride in those limousines lose a great deal of time, because they are extremely slow and never start on time. Fares charged are rather expensive and there are only a few scheduled stops. From there, one has to take a taxi, and all this costs a lot of money. One has the choice to do that or to take taxis which are also exclusive, because they belong to the same company as the limousines and those taxis charge really prohibitive fares.

I think an investigation should be made in this field. An agreement should be concluded between provinces and municipalities, in order to abolish that monopoly and allow anyone who has a taxi permit in a province or municipality to go to the airport and freely serve the public. On the other hand, I know that it is easy to argue that there is a contract and nothing can be done, but I feel that those companies have gone too far. A few years ago it may have been necessary for those companies to have a franchise but this reason is no longer valid at the present time.

In my opinion, that system works against the passengers. I feel that the Department of Transport must intervene to protect the public whenever agreements carrying exclusive rights are prejudicial to passengers.

Mr. Chairman, I should not want to take too much of the committee's time but, before I sit down, I should like to say a few words about shipbuilding in Canada and for Canada.

I remember that, in his budget speech, the Minister of Finance (Mr. Gordon) expressed very serious doubts about the value and especially the advantages of grants to the Canadian shipbuilding industry.

I see that this government has maintained our policy. I am sure that after holding his portfolio for a few months, the Minister of Transport has decided to continue those grants which are absolutely necessary, in my opinion.

The subsidies were very useful. We owe them our merchant marine on the St. Lawrence and the great lakes, which will be entirely modernized and up to date.

Thanks to those subsidies and to this merchant marine we were able to find enough

space to ship from the lakehead to the St. Lawrence ports tremendous loads of wheat and grain to Russia and other countries behind the iron curtain, as well as to China.

Had we not followed such a policy at that time, grain shipping would certainly have been delayed, with disastrous results for our western farmers and for this country as a whole.

We had also taken action to keep or reserve the use of Canada's inland waters only for ships flying the Canadian flag. We had obtained the agreement of all other commonwealth countries signatories to the commonwealth agreement on coastal traffic, and we were about to introduce legislation to this effect when, unfortunately, an election was called and our program was interrupted. I hope that the present government will not hesitate to maintain that policy, in order to give new strength to our merchant marine. It is unfortunate for our country that our merchant marine never had that new vitality which would enable us to have a real seagoing merchant marine.

In my opinion, the government should endeavour to take further steps in order to reach this goal completely.

I believe that, in another field of concern to Canadian shipping the government should do more. And here I am talking about the trips organized each summer to ship food and equipment to our various stations in the far north.

These trips should be restricted to ships under the Canadian flag. At present, the government charters foreign ships. To my mind, this is a discrimination against our ship owners and our seamen. I really believe that this is a field where the government has full authority and for which it pays all expenditures and signs contracts with the shipowners. Consequently, it should limit its naval operations to ships under Canadian flag. It is a new step toward the building of a Canadian merchant marine of significance.

Mr. Chairman, before resuming my seat, I would like once again to draw the attention of the house on the serious problem of Canadian waters.

This afternoon, the hon. member for Grey-Bruce (Mr. Winkler) directed a question to the Minister of Transport; the latter expressed his concern at the seriouness of this problem. I am convinced, as every other sincere Canadian, that the minister is really worried over this great problem threatening our main natural resource.

Today, those who have an opportunity to see the St. Lawrence river find out to what extent the waters are low and polluted all along its banks. Anyone seeing the St. Lawrence at the present time may realize the importance and the urgency of this problem, as well as the pressing need for a new system under which this problem would be no longer in the hands of bureaucracy, and when I say "bureaucracy" I do not mean the civil service. But this article, which was written by Mr. Arthur Blakeley, of the *Gazette*, depicts perfectly the situation prevailing in that field, and, in my opinion, it is a hair-raising problem for those really concerned.

There are at least some 30 officials in the federal government who meddle with this problem. There is no agreement between them, the reports of their discussions are lost or get shelved in some branch or other; different policies are adopted. I believe that the government should take the bull by the horns, that is, establish a department of water courses in Canada, or set up an agency, some administrative body which would have the necessary authority to study the problems as a whole and to make really serious decisions.

An engineer was telling me recently that in Canada we waste to such an extent these natural resources that if we keep on doing it, the ocean-going vessels will probably be unable to go upstream further than Quebec.

I think that one of the most serious gaps in our past is not to have developed hydraulic engineering. All the people who had to carry out projects along the St. Lawrence river were civil engineers who, though very well qualified in their field, were by no means specialized in hydraulics.

Thus, all along the St. Lawrence river, seaports and jetties were built and dikes were erected without worrying too much about the effect of those constructions on the tides, the currents and ice movements. This resulted in a complete change in the currents of the St. Lawrence, and today, the water is so low that ships cannot come up to Montreal to take on a full cargo. And there is another aspect. The water of the St. Lawrence is so polluted all along its course, that people living in those magnificent summer residences and resorts cannot swim or bathe there. Today all that is finished, everything has been wasted. No doctor will advise anybody to bathe in the St. Lawrence river.

I believe that the federal government, even if it is not the only one to blame, should convene a federal-provincial conference on this matter and tackle the problem, because

today, the Ottawa and the St. Lawrence are practically open sewers. This situation has lasted long enough, and it is imperative for the government to assume its responsibilities, forget what happened in the past, and take an entirely new attitude. There is no question of blaming this or that person or body, but the problem must be tackled if we want the St. Lawrence river to remain that magnificent waterway which was the cradle of this country.

I refer to the St. Lawrence because I know it well, having been raised in Three Rivers.

I know that the great lakes are experiencing the same difficulty. As for lake Huron, the situation is critical and the government must do something about it. That is why I was so pleased by the minister's answer to my hon. friend from Grey-Bruce (Mr. Winkler). I hope the Minister of Northern Affairs and National Resources (Mr. Laing) will take positive action, leaving political manoeuvring aside. Any positive step he takes to help the Canadian people in this connection will be wholeheartedly supported by the opposition.

That will conclude my remarks, Mr. Chairman, and I thank hon. members for their attention. I hope that, when all the other hon. members have made their speeches, the minister will answer the few questions I have put to him.

[*Text*]

Mr. Barnett: Mr. Chairman, the minister is displaying what he considers an admirable reticence in opening the estimates of his department. He has indicated he would prefer to listen to what some other members might have to say. However I think I should say at the outset that some of us are anxious to hear something from the minister before these estimates are concluded. He has been a member of this house long enough to know that members have an understandable interest in the attitudes of a new minister with respect to various matters of policy. Certainly there are a number of matters upon which I should like to have the benefit of the thinking of the Minister of Transport as we begin the spending for a new fiscal year of this very important Department of Transport. I have some questions I should like to pose or at least some matters I should like to draw to the minister's attention at this stage upon which I should like to have a statement from him prior to the conclusion of these estimates. Actually, I would prefer that he might deal with them when we are giving consideration to the various sections of the estimates, at which time there may be a better opportunity for questioning him on these points.

If I may I should like to take a few minutes to draw his attention to the particular areas of interest I have immediately before me, so far as the estimates of his department are concerned this year. I might tell the minister that there were a number of matters about which I had some discussion with his immediate predecessor in the portfolio. One of them had to do with the operations of the air transport board. The former minister and I had a number of discussions on this subject last year. Amongst other things, I was then urging that the air transport board should adopt a procedure of going much closer to the people than it had done in the past in respect of the holding of public hearings concerning the establishment of lines or rates. I should like to tell the minister I was very happy that, in connection with its regional hearings, the air transport board did see fit to hold sittings in some of the smaller centres along the coast of British Columbia. While I have had it reported to me that the citizens did not flock to those hearings in large numbers to make representations, nevertheless I think that whatever decision the air transport board may have arrived at in connection with various matters in relation to the changing of existing air line routes, there will likely be a more ready acceptance of the board's decision than there was in relation to certain matters not too long ago. There was certainly a strong protest, as the minister is aware, concerning certain actions taken by the board in connection with air lines.

I should like to draw to the attention of the minister the fact that, arising out of a certain situation that developed in respect of a decision of the board last year, I came to feel there was a rather serious flaw in the existing Aeronautics Act which, as the minister will recall, provides that if an air line which has an application before the board is not satisfied with the board's decision, an appeal to the minister does lie. However in the case of another air line, if it feels its interests have been advertently affected by a decision of the board no such appeal to the minister does lie under the terms of the law at the moment. On the face of it, this seems to be a rather unfair situation. I am hoping that when the minister is able to proceed with the amendments to the Aeronautics Act, which are now on the order paper in the form of a resolution, this particular point will not be overlooked in those amendments.

I did have some discussions on this very point with his predecessor, and it was suggested to me that when the Aeronautics Act was up for amendment it might be appropriate for me to pursue my argument in this connection. I should like to suggest to the minister that if this particular point is not already covered in the amendments which he intends to introduce, this is something to which he should give serious consideration. I suppose there is a question which can arise as to whether or not there should be any appeal to the minister. If there is to be an appeal allowed to the minister under the legislation, certainly so far as I am concerned it should not be a one way street. In other words, both parties should have the right to appeal.

While I am on the question of air transport, Mr. Chairman, I should like to indicate also to the minister that I am very much concerned about the type of facilities which can and should be developed for the landing of planes on water. I think it is generally recognized in this house that a great many millions of dollars have been spent on facilities for passengers to be transferred by air in connection with planes which land on the land. Most members of the house have had some opportunity to take advantage of the facilities which are provided at some of our more modern air terminals where we have, in general terms, very complicated and expensive technical facilities provided to assure that passengers will arrive at these terminals in safety and comfort. The whole question of seaplane landing facilities is a neglected one, so far as the Department of Transport and parliament are concerned. I only hope that because of the nature of his constituency the minister may be inclined to have a greater appreciation of this matter than some of his predecessors.

I had an opportunity of pointing out a few things to the minister's immediate predecessor during a visit he made to the B.C. coast. I was able to explain to him some of the landing problems that arise due to winds and tides, because I had personal experience of the hazards that develop when landing a seaplane in places where there are protruding piles against which winds may swing aircraft wings. As compared with the provision of facilities for landing planes in other parts of the country, very little has been done to develop such facilities along our sea coasts. I have had some discussions on this matter with persons operating planes along the B.C. coast, so the minister will not be surprised when I tell him the B.C. aviation council sent me a copy of a recent communication they forwarded to him. I would like him to tell us his reactions to the suggestions made by that council.

I believe that under former policies the department spent more money on the establishment of landing facilities than circumstances justified. All those interested in this problem on the Pacific coast are anxious that the best possible facilities be provided at the lowest possible cost. We are convinced that with proper correlation between the marine services branch of the department and the planning sections of the Department of Public Works adequate seaplane landing facilities can be provided in many areas where none presently exist, at a very modest cost—modest compared with the amount spent on the provision of landing facilities for land based aircraft.

I am particularly interested in the levying of wharfage charges and I hope the minister will deal with this matter when we reach the marine services branch estimates. As the minister may recall, I had a recent exchange of correspondence with him on this subject, and he sent me an explanatory statement outlining the basis on which these charges are currently being levied, under the regulations which came into effect last January 23.

In this statement the minister enunciated the idea that those who use these facilities should be prepared to pay something for the service provided. Not many responsible people would quarrel with that idea, but having examined his explanatory statement I do not feel we have arrived at a proper and satisfactory arrangement. As a matter of fact I think the regulations seek to impose an impossible responsibility on the administrative officers in the field, and that the policy is impossible of being equitably applied.

I have received complaints concerning these charges for use of the harbour installations at Comox, and I would point out there are a great many places which have these facilities but where there are no wharfingers to collect the wharfage charges. If I understand the regulations correctly there is a certain onus on people using these facilities to regard the district marine agent as a wharfinger, where there is no wharfinger as such, but I do not know how the minister can expect a fisherman who has tied up in port at Whaletown or Namu to send in a report later, saying he was tied up there for

10 hours and including the money for the wharfage charges.

I cite Comox as an illustration. There are several installations within a relatively few miles of Comox where no charges are being levied. An attempt is being made to apply the charges in Comox, where there is a wharfinger. I do not intend to be critical of the wharfinger, but with the situation under which he operates he cannot be regarded as a full time employee. I am informed that certain boats which the wharfinger knows will be moored there are charged wharfage, but other boats come in, in some cases yachts operated by people who can well afford to pay wharfage charges, and these boats may stay there a day or two, and then away they go and no charges are levied against them. As the minister will readily understand, this is creating an attitude of resentment against the whole idea.

In addition I should advise the minister that the local business people in Comox rely almost entirely upon the business which commercial fishermen and other boat owners bring to them, and these business people are resentful because they feel this arrangement is driving people away from Comox harbour, and that boats are going elsewhere where no charges are levied. So, while I have some sympathy with the minister in his attempt to formulate an integrated policy with respect to a difficult question, I wish nevertheless to register my own feeling that a better solution could be reached than the one now adopted. It is my view that ports in the category of Comox, which I have used as an example, should be excluded from the application of the regulations.

I had hoped for an opportunity during the summer recess of spending a good deal of time discussing this question with commercial fishermen and other boat operators in the area for which I have the greatest concern.

Mr. Pickersgill: I am sure the hon. member will permit me to say that I, too, shared that hope.

Mr. Barnett: Perhaps it would not be amiss to take this opportunity to point out that one of the most important functions of a member of parliament in my view, and apparently in the view of the minister as well, is to ascertain the views of his constituents, particularly in areas where the operations of some of the government departments are of such great importance in the daily lives of the people. One of our most important responsibilities, I feel, is to talk to the people we represent and ascertain their views as to how some of these matters should be dealt with. It is a matter of great regret to me that I have not had such an opportunity during the current year and the minister would no doubt agree with me that a Christmas recess, if we get one, does not fall at the time of year when it is easiest to do a job of this kind.

Nevertheless I have had some opportunity to discuss this question with the people who are most directly involved and the general reaction, at least among the more responsible minded of those to whom I spoke, seemed to be this: They had no objection to the idea of paying some reasonable charge where adequate facilities were provided, particularly in places where light, power, water and supervision were at the disposal of people needing these services. However in cases where these services have not been available and where no charges have been made in the past, there is a natural reluctance to accept any additional cost.

One or two suggestions have been made to me as alternatives to the idea presently advanced as the basis for wharfage charges. I will put them before the committee, not because I am persuaded they are correct or that they are necessarily better than the present arrangements, but because they have been made to me and because they are worthy of consideration. One such proposal is that instead of attempting to levy a charge in accordance with the length of the vessel to be moored, a small tax might be placed on fuel, say one cent a gallon. Another suggestion made to me is that it might be possible to issue an annual mooring licence. Commercial fishermen, when they went to obtain their commercial licences, could, if they intended to use public mooring facilities, pay a mooring charge in accordance with the size of their vessels. In return they would receive licences to moor at any of the public facilities they wished to use as they voyaged up and down the coast. I have not yet reached any final conclusion as to the merits of these two suggestions, but the minister should be thinking along these lines as he tries to work out a more satisfactory policy than the present arrangement is proving to be on the coast of British Columbia. I will leave it to the hon. gentleman to make his own analysis of how these charges should apply on the coast of Newfoundland.

There are a great number of questions one can always discuss in connection with the operations of a department whose work

spreads over a spectrum as broad as that of the Department of Transport. I should like the minister, before this discussion ends, to give us the latest information about what is developing in the field of policy with regard to cable television. This is a subject which has come up on a number of occasions during the life of this parliament and it is, of course, a matter of concern to a large number of people. I have made my own position clear. As far as I am concerned I do not believe there should be any attempt to restrict artificially the right of people to view the programs of their own choice. I think any attempt to do so is neither necessary nor desirable. Indeed, it could easily become a form of censorship. If we want to encourage Canadians to watch Canadian programs, the best way of doing it is to make Canadian programs so attractive that viewers will not want to watch programs from the United States or any other country, exclusively at least.

I believe there is nothing wrong in seeing what United States television can produce. Indeed I hope the day will come when we shall have much more ready access to television programs from Britain and other European countries than we have at the present time. It is also my belief that the need does exist for programs on the air which have a basically Canadian flavour and content if we are to survive as a nation. With regard to cable television, however, I would point out that in some areas of my constituency at least, due to the geography of the coast line, the only programs available are those which originate in the United States, and even these can only be received through the use of special antennae with cable connections to individual sets. I hope the minister will make it clear that there is no intention on the part of the government to restrict artificially the right of people in situations such as these to view such programs as they are able to receive in present circumstances.

While I am on this subject, Mr. Chairman, I should like to urge upon the minister, as a member of the government, the necessity of taking steps so that parliament may provide a much more adequate budget for the provision of Canadian radio and television, so that those who represent constituencies like mine will no longer receive from the C.B.C. the answer we have had again and again, "If you people will provide us with the money, we will extend facilities to these areas", namely those areas in which Canadians cannot now satisfactorily receive C.B.C. programs. Having said that, Mr. Chairman, I will withdraw from the discussion, temporarily at least, and hope to have some comments from the minister as we get further along into the estimates.

[*Translation*]

Mr. Marcoux: Mr. Chairman, during consideration of the Department of Transport's estimates, I think the occasion is well chosen to draw to the attention of the hon. members a few problems in which I have been personally interested for some time and which concern not only the people of the riding of Quebec-Montmorency but also the people of the province of Quebec and of Canada as a whole.

I avail myself of the fact that item 1 allows us to discuss those problems in the house. Most of those problems have been submitted by myself to various organizations coming under the Department of Transport, and the answers have always been unsatisfactory, inadequate or non-existent.

That is why, Mr. Chairman, I feel it is my duty and in the interest of the citizens concerned to draw these problems to the attention of the hon. members.

I would like to speak of the Canadian National Railways Company and of Air Canada. Those two crown corporations must report yearly to the railways, canals and telegraph lines standing committee or to the sessional committee. Since I have been in parliament, I have noticed that the evidence given by the representatives of those various companies, either the president of the Canadian National Railways Company or the president of Air Canada, were not at all satisfactory. They often declined to answer questions, or else they took refuge behind a kind of immunity by saying that it was not customary to disclose certain figures, etc., so that, even under our democratic system, we are unable to scrutinize the budget and the expenditures of those two crown corporations.

I realize that, as it has already been pointed out, it would be practically impossible for those companies to operate if members of this house were to question them repeatedly, if not every day, to find out just how they are running their business. And it is also said that, inasmuch as those crown corporations have to compete with other companies, certain figures ought not to be revealed, since that would be detrimental to those crown corporations. Considering that those two companies are subsidized by the government, that taxpayers help to make up for their deficits, it would not make sense to enable private enterprises to benefit from confidential information. Of course, we have to agree with that line

of reasoning. Yet, just because of the terms imposed by the crown corporations, the Canadian taxpayer is absolutely helpless, as he has never at any time been able to obtain satisfactory answers. The taxpayer may not be exactly familiar with the procedures and ways of those two crown corporations, nor with any possible schemes with other people set up with the help of officers in those corporations.

I remember, some time ago, having asked a question when the C.N.R. president was before the committee. I asked him then—though I knew very well that he would not be able to give an immediate answer—what was the distribution of traffic, at the Palais station in Quebec city, as between the C.N.R. and the C.P.R.; furthermore in what proportion premises were occupied by the C.N.R. and by the C.P.R., and finally what costs were charged to the C.N.R. for the use of those services. Mr. Gordon told me that he could not give me an answer, but would see to it that I get one later on. And I heard absolutely nothing until, following a second letter of mine, I received on Sept. 4, from the Canadian National Railways, a letter with figures indicating that, at least to uninitiated eyes, like mine, the C.N.R., to a certain extent, helps out the C.P.R. by making much less use of tracks and premises than the latter company, although expenses are apportioned roughly on a fifty-fifty basis between the C.N.R. and the C.P.R. This means that the C.N.R. is contributing, with the taxpayers' money, to bolster the C.P.R.'s profits.

There is nothing wrong, of course, in the C.N.R. doing the C.P.R. a good turn. But when we know that the taxpayers have to make up the deficits, I think the C.N.R.'s expenditures should be looked into more closely. That is the kind of information we cannot obtain from the presidents of those companies when they come before the committee.

If I had not insisted on a reply, I think I would still be in the dark as to the conditions of the contract signed in that connection by the C.N.R. and the C.P.R. However, some lines have been abandoned following the signing of the contract.

Certain trains have stopped using the C.P.R. tracks. Others follow a new route; instead of passing through Quebec city, they take another C.N.R. track which brings them directly to St. Raymond. Those are all services for which the C.N.R. has paid for and which are no longer used. In fact, I wonder if the C.N.R. still pays the C.P.R. the same charges and rent as before.

All that to say that unless we remain on our toes, the Canadian taxpayers will practically find themselves under the domination of certain private companies.

There would still be lots of things to say in that connection. For instance, last year, I asked questions about the Canadian Prepack and the Crowley McCraken companies, which deal either directly or indirectly with the C.N.R. and with which the crown corporation has contracts which cannot be scrutinized because they are private contracts. It is impossible to know either the names of the directors of those companies because the latter are incorporated under provincial law.

Those are all factors which make it difficult to examine the budget and expenses of the C.N.R. and, occasionally also, of Air Canada.

I still have other observations to make in this regard which are even more serious inasmuch as they refer to what is apparently a matter of political patronage.

Some hon. Members: Shame.

Mr. Marcoux: I know the minister will be quite surprised to learn that such a thing as political patronage could exist within his department—

Some hon. Members: Shame.

Mr. Marcoux: —because it would just about be the only place where it could be found, since we know none exists elsewhere. Here, I wish to refer to another company called Transol Inc. I had asked the C.N.R. what agreements they had reached with that company. I was told that the C.N.R. had not sold any property to Transol. Of course, that was not what I meant and I had to give it another try, for even if I knew the answer, I wanted to get it directly from the C.N.R. So I made another attempt and asked them more specifically what transportation contracts Transol Inc. had been awarded between Lévis and Rivière du Loup.

I finally succeeded in getting an answer, on September 10, from the secretary of the company, Mr. Vaughn. Now, this is a contract signed by the C.N.R. with that company, whose directors are Mr. Marius Diamant, Mr. Gaston Desjardins, a lawyer, and I think one of his associates, Mr. Ovide Laflamme, whom I have not met but who ran against me in the last election.

This company offered its services to the C.N.R. The latter investigated the credit standing of the Transol Inc. company in order to know what it was worth. According to the

report submitted to the C.N.R., that company was not solvent, it was not in operation and was only incorporated on June 13, 1963, which meant that it was quite newly formed and had no capital value. Strange enough, in spite of this unfavourable report, the C.N.R. decided to award the contract to the Transol Inc. company, so that the latter is now operating a freight transportation service between its stations located between Lévis and Rivière du Loup.

Transol Inc. was authorized to operate this service by the Quebec transport board on October 30, 1963, and only started operating on that date.

As can be easily imagined, this means that when the company was awarded a contract by the C.N.R. for freight transportation, bank credits were unfrozen, so to speak, and it was very easy for this company to secure from the bank the funds necessary to set up the whole system as we know it today.

This even enabled this company to purchase a tank-truck in order to transport wine from Niagara Falls, this wine producing area we know quite well, to Quebec city, for the Quebec liquor control board. This means that this transportation company competed directly with the Canadian National Railways, which already had tank cars, and that the crown corporation consequently lost this contract to Transol Inc.

Evidently, in regard to the province of Quebec, the same thing happens. The liquor board is a crown corporation, so to say, which is entirely above politics. It then became quite easy for that corporation to send in a tender to the liquor board. However, C.N.R., which had agreed, as it were, to the creation of such a corporation, lost the contract they had with the Quebec liquor board.

To my mind it is a loathesome situation when a company such as the C.N.R. whose deficits, as I said, are made up by the people of Canada, is at the mercy of a small group like that.

Coming back to the directors of Transol Inc., lawyers Gaston Desjardins and Ovide Laflamme have their office in the same building as Mr. Gérard Lévesque who used to be chairman of the Quebec Liberal federation.

An hon. Member: He used to be.

Mr. Marcoux: Yes, he used to be chairman of the federation. He did a lot of work at that time. There was another person in that office, Mr. Laurent P. Bolduc, who is not a lawyer, I think, but who owns two ships, the *Sillery* and the *Cacouna,* the building of which was largely paid through federal grants.

Consequently, that is a fairly great concentration of power. I am sure the minister will get to the bottom of this so that there will be no repetition of such distasteful happenings.

Of course, now that Transol Inc. is a well organized company which is doing good business, I imagine it would be difficult to take away its contracts, but the minister will surely be on his guard the next time such a thing happens.

I would have other remarks to make in that connection but I will stop here. Naturally, I am not a minister but I have a rather thick file on that case.

Now I shall say a few words concerning another question, coming under the jurisdiction of the Department of Transport, that is the choice of a medium range aircraft by Air Canada. This is another corporation entirely independent from the government and which receives no instructions from the latter; in brief, this is a company which makes its own decisions. Then, we have nothing to say. It is nevertheless strange to find out that the decision made previously to choose the BAC-111 aircraft was changed following the unfortunate accident suffered by the prototype plane while it was flying over a British city.

I feel that Air Canada was wise to change its decision, since it realized that the plane could be dangerous.

As far as the DC-9 is concerned, that plane was never built. It never flew once and it was accepted. And the Caravelle, which has proved itself over many years, is used quite extensively in the United States by a firm which is not particularly francophile and in a country which has no particular concessions to make to France. As a matter of fact, they are very happy to use the Caravelle because it gives very good service and its safety rating is very high.

Mr. Chairman, I will not talk about this any longer, because I do not want to reopen an old sore. I just wanted to point out some odd things that might be found in the management of Air Canada.

Another field which comes under the jurisdiction of the Department of Transport and which awakened my interest is that of radio and television. As a matter of fact, I always wondered why television and radio come under the Department of Transport, especially broadcasting stations and the issuance of licences and permits.

I know very well that permits for the operation of radio and television stations are issued by the Department of Transport, on the recommendation of the board of broadcast governors, although sometimes when the minister did not like the board of broadcast governors' decision, he changed it and went ahead with another policy that had not been recommended by the governors.

For a few years now I have been interested in a Gaspé peninsula television company, namely the "Compagnie de t.v.-transgaspésienne", which submitted to the board of broadcast governors rather long and detailed briefs that I have at hand. They are about four inches thick.

Following a decision that I never understood from the board of broadcast governors, that company was prevented from operating a television station in the north Gaspé area. The reasons given for this refusal were numerous and inconsistent. That company had the luck—or the bad luck—to submit briefs to the board of broadcast governors on four or five occasions.

Mr. Béchard: Mr. Chairman, would the hon. member allow me a question?

Mr. Marcoux: Yes, Mr. Chairman.

Mr. Béchard: Mr. Chairman, I wonder if the hon. member is aware that there are already two other television stations in the Gaspé peninsula, one in Matane and the other in Carleton, which serve the peninsula and must also, under their operating licence, serve that area. Besides, I feel that those companies give a very good service to the areas they cover.

Mr. Marcoux: Mr. Chairman, I was precisely coming to this point, because it is a complicated problem, in a complicated area, and a problem in which I have taken a complicated interest also.

If one studies the questions I put to the Department of Transport, both under this government and the previous one, one will realize that I did not envisage the question in a superficial way.

I know that the Matane station has moved its antenna. Instead of erecting it near the city of Matane, they went away and erected it on Logan mountain, in order to have a much wider field of action. However, this antenna was barely erected than a satellite had to be built on Climont mountain, because it was found that the city of Matane and the Matapedia valley could no longer be served adequately.

I feel that this is a very complicated question, and I think the decisions were made in favour of the existing stations.

I know that this is normal, that those stations have the right to have a monopoly, but on the other hand I know also that some areas in the Gaspé peninsula are entitled to service, and if those two stations had an exclusive contract with the C.B.C., the third station might have signed a contract with another company, with Tele-metropole, for instance.

And if people had not wanted Tele-metropole, the Trans-Gaspé t.v. company could have signed a new contract with the C.B.C. Anyway, the problem was not beyond solution.

If existing stations did not wish to make use of Jacques Cartier mountain, as did Trans-Gaspé t.v., it was hardly up to the latter to let the two existing companies benefit from the advantages offered by the highest peak in eastern Canada.

Mr. Béchard: Mr. Chairman, would the hon. member permit another question?

Mr. Marcoux: Yes, Mr. Chairman.

Mr. Béchard: Mr. Chairman, is the hon. member aware of the fact that, even if an antenna had been installed on Jacques Cartier mountain, the station established there would nevertheless have had to set up satellites to serve some villages along the north shore of the Gaspé peninsula?

Mr. Marcoux: Mr. Chairman, I am very pleased that the hon. member asked this question.

The consulting engineer of Trans-Gaspé t.v., Mr. Boisvert, made a technological study of the power of the CKBL-TV Matane station, and stated, on the sole basis of mathematical computation, that the district around Matane would have a signal several decibels weaker and that the station would have to use a satellite further away, if the people on behalf of whom an operation permit had been sought were to have a proper service.

The predictions of this engineer have been found perfectly true.

The same engineer also studied the diffusion of waves from Jacques Cartier mountain to certain remote spots of the northern part of the Gaspé peninsula such as Gros Morne and Grande Vallée, for example, which are the most inaccessible. The report prepared by that qualified engineer indicated that the new station could serve those areas. The quality of the service would be somewhat inferior,

perhaps in the B or C grade, instead of A. But this would have been sufficient to enable the inhabitants of those areas to employ television adequately.

If an engineer who was sufficiently competent to predict the coverage of the CKBL-TV antenna feels that the station which could have been operated by Trans-Gaspé t.v. would have given satisfactory results, I do not see why those results should be discussed.

On the economic level, it is clear that the two stations now in operation would be greatly handicapped, especially on the north shore, since the greater percentage of the volume of business of the Matane t.v. company comes from the north shore.

Of course, I agree that the new station which could have been operated would have been prejudicial to the existing stations. The Magdalen islands and Anticosti island would probably have been served by the new station. Moreover, the north shore of the province of Quebec, the Natashquan area and the other areas located a little farther to the east, in short all the areas which are not now served by the Matane station, would have been served by the new one. This means that, as far as the technical aspect is concerned, the station which could have been operated by Trans-Gaspé t.v. is necessary.

It is obvious that certain companies may suffer some financial prejudice. I agree that the new station may constitute a handicap. But the strangest thing is that if we examine the objecting briefs, we realize that those companies presented divergent views to the board of broadcast governors. When the application for the establishment of a new station was presented, they told the board that they were in a bad financial situation and that they did not want a third station to compete with them. However, when the question was to expand or set up a new satellite station, they would say to the board that their finances were very good and that they could afford to make the necessary expenditures. Consequently, the evidence was contradictory, and so were the decisions of the board of broadcast governors.

At first it was said that Trans-Gaspé t.v. did not fulfil the technical requirements. The latter then had to change the technical specifications so as to meet the requirements of the board of governors. When the officials of Trans-Gaspé t.v. came up with these new improvements, the decision of the board of governors was that their financial organization was not adequate. And when the officials came back again to show that their financial organization was adequate, the decision of the board of governors was that the existing stations had to be given an opportunity to install satellites and try to serve the Gaspé population.

I have nothing against the decisions of the board of governors; nor do I have anything to gain from the case of the Trans-Gaspé t.v. Company which I have put forward.

But I suggest that if that firm had been prevented, for whatever reason, to make those changes and reappear before the board of governors, about $50,000 or more would have been saved.

That company had always been given to understand that it would be permitted to set up a television station and, consequently, it spent a great deal of money. However, it is now in a hopeless situation, as no decision has been made.

Since the board of governors comes under the Secretary of State (Mr. Lamontagne) and the issuance of a licence is the responsibility of the Department of Transport, it makes matters more difficult.

I am not in the least exercising any pressure on the government to make a decision. I am only saying it should have been regarded as a matter of justice, for they let the Trans-Gaspé company go to a great deal of expense by leading it to believe it could set up a station. Now the company's request has been turned down. I think, Mr. Chairman, we have here a situation which is at least discriminatory. I know that some chambers of commerce exerted pressure against Trans-Gaspé t.v., while, at the same time, others protested in favour of the company and this made it even more difficult for the minister to reach a decision.

However, it is a question of justice. Trans-Gaspé t.v. acted in good faith in wanting to serve that part of Gaspé which has no service. This has always interested that company which has been operating, under another name, a community antenna and, for a long time, had decided to bring television to the people of Ste Anne des Monts and St. Joachim de Tourelle. I believe three or more stations were received by means of this antenna and programs were retransmitted locally to Ste Anne des Monts and vicinity. This proves that the company has always wished to serve adequately the people of that area.

Mr. Chairman, I ask the minister to take this matter into consideration. As I have said previously, I do not want to pressure him; nor do I want to force a decision on him. I

know that he is subject to very strong pressures from opposing camps. I know that financially, certain companies have made investments and, naturally, they do not like competition.

However, for the sake of justice and equity, the minister should make a decision, which would favour not only Trans-Gaspé t.v. but the whole of the population of North Gaspé and even of other places, who could be served by this station which enjoys a very advantageous geographical location.

Before concluding, Mr. Chairman, I would like to say a word concerning a long lasting problem—

The Chairman: Order. The time allotted to the hon. member has expired. Does he have the unanimous consent of the house to continue his remarks?

Some hon. Members: Agreed.

Mr. Marcoux: I thank you, Mr. Chairman, and I apologize to the house for taking up so much of its valuable time.

However, I am so concerned with these matters that I would not miss the opportunity to discuss them before the house, and I will try to be as brief as possible.

This, Mr. Chairman, is a matter which has not been discussed for a long time, that is the foreshore at Beaupré.

Theoretically, the foreshore belongs to the national harbours board which has jurisdiction over the port of Quebec. The board maintains that the foreshore is necessary to the expansion of the port of Quebec. Theoretically, it cannot give up the foreshore without prejudice to the good management of the port of Quebec.

Some private companies requested from Quebec harbour authorities permission to use part of the foreshore, to build a deep-water wharf enabling them to move a certain quantity of cement produced nearby.

Riparian proprietors have been using these lands for a certain number of years and, in many cases, they claim to own them. The national harbours board challenges these claims, saying that these lands belong to the crown and that nobody can use them without the consent of the national harbours board.

These lands are not put to any use, they are in a very poor state and they cannot be profitable to anybody, not even to the port of Quebec.

During a recent meeting of the mayors of the municipalities concerned, the possibility of developing the foreshore at Beaupré was discussed.

The suggestion was made that the national harbours board would purely and simply waive its claim, subject perhaps to some conditions, to the use of the foreshore. It would hand over to the municipalities concerned all the foreshore at Beaupré with permission to develop it as they pleased.

This means that certain municipalities could start some developments, such as parks or the like. Some municipalities could even use it to extend their territory and authorize the building of houses. Others could use them for commercial or industrial purposes.

I think the minister should give special consideration to this problem.

For a number of years, the people concerned have been seeing officials of the national harbours board about this, but no decision has ever been made in this regard.

Mr. Cantin: Would the hon. member allow me a question?

Would he favour this idea, even if it is detrimental to the development of Quebec harbour?

Mr. Marcoux: Mr. Chairman, as I said a while ago, even though this land is essential, theoretically, to the development of Quebec harbour, in practice, on account of the limited budget of the national harbours board and of the very poor state of Quebec harbour, the sums of money that could be used for the development of the foreshore would be so large that we would probably have to wait another 50 years for Quebec harbour to expand along the Beaupré shore.

Mr. Chairman, I see the parliamentary secretary to the Minister of Transport shaking his head, but that problem has been under consideration for the past 60 years at least.

We met several times with the Quebec harbour and the national harbours board officials in Ottawa, and no firm decision were ever made; the board officials never showed us any definite plan indicating their intention of developing that part of the coast at Beaupré. In that way and without causing any harm whatsoever to the Quebec harbour, the national harbours board could, especially if it were instructed to do so by the government, solve that problem to the advantage of everybody, including Quebec harbour, and particularly to the satisfaction of all concerned.

Mr. Chairman, I wish to thank you and all hon. members for being kind enough to allow me to continue.

I hope that my comments will decide the minister to act in certain fields. Of course, I do not wish to insist, but as I said a short

time ago, I hope that he will take my remarks in due consideration.

Mr. Beaulé: Mr. Chairman, I wish to take a few minutes to comment on the estimates of the Department of Transport which, as we all know, is one of the most important.

I believe that the various organizations that come under this department are much too heavy for one man alone to carry. For example, among the branches that come under the Department of Transport, we find marine services, railways and steamships, civil aviation, telecommunications, meteorological services, air transport board, Board of Transport Commissioners for Canada, Canadian maritime commission, national harbours board and the St. Lawrence seaway authority. The administration of those services is funnelled into the offices of the Department of Transport, and, frankly, it represents a task that is too heavy for one man. I would suggest, therefore, to the government that the department be divided into two parts.

Under the first part the following services could be included: marine services, railways and steamships, crown corporations such as the Board of Transport Commissioners for Canada, the Canadian maritime commission, the national harbours board and the St. Lawrence seaway authority.

The second part which could be called the department of air transport, would include the following: civil aviation, air transport board, telecommunications and meteorological services. This would make possible a more efficient performance by dividing the work within the department and by distributing the tasks more evenly.

Mr. Chairman, as the hon. member for Three Rivers (Mr. Balcer) mentioned a while ago, as regards passenger service between air terminals and cities—be it Montreal, Toronto or Quebec—I think those companies are exercising a monopoly and I agree with the hon. member when he said that an investigation should be made in this connection, and the Department of Transport should decide on a maximum and a minimum rate for the transportation of passengers between air terminals and the cities.

I have already made a recommendation to the committee on railways, canals and telegraph lines respecting handling of baggage in airports. I for one asked that at Ancienne Lorette airport, near Quebec city, where baggage is handled a little too roughly, carriages drawn by a tractor should be provided, instead of a type of tractor equipped with a box, to convey baggage from the planes to the airport.

I should also ask the minister whether it would be possible to use Vanguard aircraft on passenger services between Quebec and Ottawa. We have noticed on several occasions that travellers must make reservations several days in advance and often cannot get a seat on board because there are too many passengers. I ask the minister whether it would not be possible to replace the Viscount aircraft by Vanguards on the air route Quebec-Ottawa via Montreal.

Now, I should like to turn to another problem which I already raised in this house; I know that the parliamentary secretary is in a very good position to discuss that problem of railway crossings in Quebec city. We have in Quebec city a railway company, the Canadian Pacific, which operates a passenger service. The station is located in the business centre, and I think that besides being out of date, it interferes with the traffic and business in Quebec city. Passenger trains circulating between Quebec and Montreal must pass through the city from east to west or from west to east and thus cross the streets eight times in Quebec city. Now, six of those streets are located in the business sector, which means that every time a train goes in or out, a traffic jam is the result.

I wrote to Mr. Gordon, president of the C.N.R., in this connection in June 1963. Mr. Gordon answered that he was prepared to enter into discussions with the authorities of the Canadian Pacific, of the board of transport commissioners and of the Department of Transport, in order to settle that problem. I also wrote to the president of the C.P.R., but the authorities of that company do not want to hear about it. They say it would be too expensive, that, after all, the situation is not abnormal and that everything is going fine in Quebec city.

I suggested to the high ranking officials of the Department of Transport to go to Quebec city, to visit the places in question and to see the traffic jams caused when a train enters or leaves the station or when some shunting is done in the Canadian Pacific yards.

I reported all those facts to Mayor Hamel of Quebec city, who replied to me as follows:

I have just taken cognizance of your letter dated June 28 concerning level crossings in the city of Quebec. This important question has been our concern for many years.

I might say that in all our talks, we met considerable opposition, which explains why the question has not progressed further.

We shall renew our representations, in the hope that we may find a solution to this important problem.

I would therefore ask the minister to inquire in order to know who is responsible for this opposition met by the city of Quebec. Would it be the authorities of the Department of Transport, who do not care about it, or of the Canadian Pacific Railways, who refuse to listen to reason?

I would suggest to the parliamentary secretary who advocates the restoration of older Quebec to include in his projects an improvement of railway crossings.

I would also suggest to the minister to make some arrangements with the Canadian National Railways, the Board of Transport Commissioners for Canada and the Canadian Pacific Railway in order that the marshalling yard used by the C.P.R. may be demolished and transferred outside the walls of Quebec city perhaps to Ste Foy.

The C.N.R. advocates the construction of a passenger service station. They have a station at Ste Foy, since they already operate a service between Montreal and Quebec city, via the south shore, and they precisely stop at Ste Foy to leave passengers, and I think it would be more logical if that station was situated in the suburbs. Then the problem would be solved and, by the same token, the railway crossings, which are a public danger, would be eliminated. If the C.N.R. would develop outside of Quebec city a railway centre and a marshalling yard the problem would be solved.

I make that suggestion and I am convinced that the minister will make the required representations to the authorities concerned, so that we, the people in Quebec city, might also profit from downtown improvements and some day see the elimination of those notorious railway crossings which interfere with traffic.

[*Text*]

Mr. Moreau: I do not want to delay the committee unduly but I would like to express my surprise that the hon. member for Three Rivers criticized the monopoly situation that exists at airports across the country, because the agreements providing for this situation were concluded, I believe, while the previous government was in office, and when he was the minister responsible.

It is well known that the hon. member for York-Humber and I have raised this matter in the house, in connection with air terminal transport at Toronto international airport. It is now surprising to find an endorsement of our stand by the hon. member for Three Rivers, and I would like to thank him very much for his support in our efforts to have this situation looked at again.

I wish to bring the minister's attention to the matter of express delivery in the suburbs of metropolitan Toronto. When I moved to Toronto a few years ago I was amazed to find that in the suburb of Scarborough prepaid express operated in the following manner. One day a truck appeared at my door and the driver demanded 75 cents a parcel for delivery of prepaid express articles. This seemed a rather strange situation so I went down to the express office to discuss it with the people there because I had not received notice that the shipment was coming to me. I had no opportunity at all to pick it up myself, and I was quite surprised there was not free delivery by the express companies, C.N. and C.P., on this sort of service in such a large community as Scarborough which contains over 200,000 people.

Communities of much smaller size get free delivery service as part of the express service operated by the express companies. I am sure Scarborough is not the only suburb of Toronto which faces this problem, and I would ask the minister to have a look at it. I should like to relate briefly an experience I had in this connection some years ago. I had ordered some lobsters. I knew they were coming and called the express office repeatedly to find out whether this shipment had arrived. We had organized a dinner party at which we intended to serve the lobsters. We were expecting them on a certain day and I called the express office at 9.30 that morning and was informed that the lobsters had arrived. I said "Fine. I will come right down and pick them up." "Well," the fellow said to me on the telephone, "you cannot pick them up, they are already on the truck". I said "Isn't that rather strange? You fellows got a good start this morning." He assured me they were on the truck. By noon they had not arrived and he told me "Oh well, the truck takes a whole lot of these things; it goes on a circuitous route. But don't worry, it will be along". I called again at two o'clock, and finally at 6.30, by which time my wife was in a near state of panic, the lobsters arrived.

I am not suggesting there is collusion between the express officials and the local delivery service but a number of people have asked me why it is they are not informed that shipments have arrived, so that at least if they do not have an express delivery service they would have the option of picking them up on their own. I received two or

three letters recently in this connection from people pointing out that since they lived in such a populous area they should be given the same consideration as people in downtown Toronto or in other communities throughout Canada.

I find it difficult to defend the present policy, particularly since we were told that the marshalling yards which were built, despite considerable objection from people in certain parts of my constituency, would rationalize the whole railroad picture in Toronto. We were told: Just wait and see, and when these yards are in operation all the problems will be solved. Well, this is one problem which has not been solved and I hope the minister will get answers to some of the questions I have to ask on this matter. I should like to know why we are not given delivery service by the express company, a service which is given to much smaller communities as well as to other parts of metropolitan Toronto. I should like to know why under the present arrangements patrons are not informed of shipments having arrived, so that they can pick them up themselves. I have been told by the express people in the local office that this is impossible—that they cannot cope with this work. I say that if there is such a volume of business it should warrant the express company having a truck or trucks down there to take care of it. In the second place, I should like to know more about this arrangement between the railway and the local carrier—it is always the same carrier. Is this franchise —and it appears to be that—the result of tender or is it just some arrangement which is made by the railroads? If there is such an arrangement, are the railroads getting a "kick back" from this operation? These are the questions I should like the minister to inquire into. Certainly the people in my constituency would be most interested in knowing the answers.

Mr. Deachman: In the few minutes remaining before five o'clock I want to introduce a new topic. It concerns grain handling facilities in the port of Vancouver. I had wished to make some lengthy remarks with regard to the development of the national harbours board facilities in the port of Vancouver, but perhaps I could leave these to a later occasion, perhaps later on during consideration of these estimates, or at some other time.

Mr. Pickersgill: Delighted.

Mr. Deachman: I am sure the minister will be delighted, as I can see from his expression. I wish to direct my observations now to the question of grain handling facilities in the port of Vancouver. The unprecedented wheat sales over the last year has meant the passage of some 200 million bushels of wheat through the port of Vancouver—more than Vancouver has ever shipped before. All the facilities of the port have been strained and put to the test in dealing with this record shipment. Vessels have stayed in the harbour sometimes for weeks on end awaiting berths. As a result there have been considerable losses to shipping companies. We do not have sufficient facilities to handle all the wheat which was offered at the port.

I wish to refer to an article which appeared in the New York *Times* on August 30, 1964 which sums up the wheat shipment story in these words:

> Vancouver has been shipping 20 million bushels of grain a month during the year. There are 11 grain loading berths, but if the port facilities were better, a $500 million wheat transaction with Moscow might have been more than 10 per cent higher.
>
> Full use of the berths handling 200 million bushels of wheat a year was pledged last year and, despite a promised expenditure of millions of dollars for increased facilities, ships still wait while costs mount.

There has been considerable discussion in Vancouver as to whether or not increased facilities should include an elevator or whether there should merely be an upgrading of existing grain handling facilities. A survey was made by the previous incumbent of the office of minister of transport. This survey took place toward the end of 1963 with a view to securing advice on what would be required by way of additional facilities at Vancouver and other ports of Canada. Since that time there have been rumours and stories in the Vancouver papers that private enterprise grain handling companies or co-operatives would be willing to build an elevator in the port of Vancouver to provide additional storage. So it seems to me we are coming close to a point where additional storage and grain handling facilities, rather than just working or handling facilities, should be developed in the port.

The question arises—

The Chairman: Order. I regret to have to interrupt the hon. member but it being five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business as listed on today's order paper, namely notices

of motions for the production of papers, private bills and public bills.

Progress reported.

Mr. Deputy Speaker: It being five o'clock the house will now proceed with the consideration of private members' business as listed on today's order paper, namely notices of motions (papers), private bills and public bills.

MOTIONS FOR PAPERS

SECURITY PROCEDURES AND INVESTIGATIONS

The house resumed from Thursday, July 9, consideration of the motion (Mr. Orlikow):

That an order of the house do issue for a copy of all government statements and directives to government departments during the past year regarding security procedures and investigations.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): I wonder if I may rise on a question of personal privilege. As hon. members will recall, I previously participated in the debate on this matter and on July 9 as reported on page 5259 of *Hansard* there is record of a question put to me by the hon. member for Burnaby-Coquitlam. At that time the hon. member inquired whether a person whose reliability was questioned would have the right to appear before the security review board, and also whether he would have the right to appear with counsel. At that time I gave it as my understanding that he would have such a right. But in the discussions that have taken place—as hon. members opposite are aware —with the responsible officers, it has come to my attention that it is the British practice which is to be followed here, and there will be no right to appear personally or with counsel. The function of the review board is merely to review the file that already exists. I make this statement, Mr. Speaker, so that hon. members opposite will not be misled in that regard.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I suppose I should start by saying, "As I was saying on July 9 at six o'clock". At that time I was dealing with a particular aspect of security matters and I had brought before the house the case of a young man who was working within a government department and applying for another position in the same department, but one which required a security clearance. The case was brought to my attention by the B.C. civil liberties association. The young man had refused to answer certain questions about his in-laws; he claimed this was information which he should not reasonably be expected to have. I should like to deal with that particular aspect of security matters for a few minutes.

It seems to me that a person should be judged upon his own character and background; that there should be sufficient opportunity from interview, from checking the records and references of a person, from speaking to his previous employers and those people who had something to do with his education and background generally, to find out what type of a person he is and whether he is a satisfactory security risk. In my opinion it is very unreasonable to check the status of a very large number of relatives and to reach any sort of conclusion about a person based upon such a check. A person from a large family might be at a very great disadvantage; he may have uncles, aunts and cousins who belong to various political parties and organizations, over whom he surely has no control. I think we presume that such people have too much influence upon an individual. I suggest that this type of question is unnecessary and there are adequate means of checking the individual without going into the case histories of all his relatives.

At the conclusion of my remarks when this matter was being debated previously, Mr. Speaker, I mentioned the case which was brought to the attention of the house last year by my colleague the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). This was the case of a young man who had been released from the Royal Canadian Navy because a security check revealed that his uncle had once been a communist. Of course, the error was found out; there was a confusion of names. The man whom the security officers thought was the young man's uncle was not his uncle at all, and the young man was given a security release. At that time I concluded my remarks by asking: "What if his uncle had been a communist?" This is a very unfair burden for such a young man to carry. He should be judged upon his own character, his own background, his own education, his own working record. I imagine this would be a particularly hard burden for some young people in this country who may be very orthodox and conform in every way, but whose parents may not conform and may be very radical. Are they to carry that burden throughout their lives?

We are dealing here with cases involving the careers of individuals. This is most important, Mr. Speaker. They should be judged

upon their own characters, and not upon those of their relatives, no matter how close those relatives may be.

On the general subject of security procedures, just before I rose to speak on July 9 the hon. member for Hamilton West (Mr. Macaluso) had been stoutly defending the government's position on security matters, and in particular the statement the Prime Minister (Mr. Pearson) made on October 25, 1963. At that time I said:

> The millennium in security procedures was not reached on October 25, 1963.

I pointed out that the millennium had not been reached on that date in this country, and still has not been. We do not consider the board of review which was established at that time to be satisfactory at all. As the hon. member for Greenwood (Mr. Brewin) and the hon. member for Peace River (Mr. Baldwin) pointed out, this is not a judicial body. It is an administrative body, but it has quasi-judicial powers. It seems to me to be an altogether wrong principle for a body having judicial powers of any sort to be part of the general administrative set-up of the government. If it is to have judicial powers, it should be appointed as a judicial body. The type of persons appointed to judgeships is the sort we want, namely those appointed independently of the government.

As the parliamentary secretary to the Minister of Justice, (Mr. Macdonald) admitted a few moments ago, the present board of review does not permit the person under investigation to appear before it; he cannot be represented by counsel. This is a most unsatisfactory situation. Again I would reiterate that the careers of persons are being affected here, and their careers may be permanently affected by the wrong sort of security information. In this connection, Mr. Speaker, events in this country in the last month should give us cause for concern about the kind of people who are involved in our security investigations. I have an idea that they are not of the best and most reliable character. They can be given a great deal of wrong information, and may be supplying to the authorities wrong information upon which the authorities act in some cases, as they did in the case of the young man from Nanaimo, British Columbia, who was in the Royal Canadian Navy.

There is one other matter in connection with security that I would like to raise. I wonder whether any review has been carried out recently of the number of positions in the federal government service of Canada who are subject to security checks. It seems to me that if you examined all the government departments, all the crown corporations and all the various crown agencies there would be a great many positions for which security checks are required. I believe they would number many thousands. I wonder whether this situation could not be examined to see if they are not carrying out security checks for far too many positions. It is my belief that the number of people working for the government of Canada who would have access to information that would be of any real value to an enemy would really be extremely small. I would suggest to the department that this sort of review should be undertaken so that we may keep to an absolute minimum the number of positions within the government with regard to which security checks are required.

I believe it was the hon. member for Greenwood, supported by the hon. member for Peace River, who suggested that perhaps a house committee should be established, to sit in camera, so that this question of security could be more fully explored by members of the house. Any time security matters have been raised in the house, ministers of justice of this country have seemed to become awfully sanctimonious and have thrown out the suggestion that the security of the nation is involved and they cannot answer any questions. I suggest that the members of the house at least have a right to know what are the procedures that are followed by the government. If it is felt that these matters should not be made public, and perhaps there is a good case to be put forward for that contention, this type of inquiry could be carried out by a house committee sitting in camera. Surely if we can have a committee meet in camera to discuss the flag, we can go into this very important subject which deals with the civil and individual liberties of Canadians. Therefore I again put the suggestion that this should be given consideration, because for our part we will not be satisfied until we know more of what is involved in the government's security policy.

I conclude my remarks by reminding hon. members that the security of the nation is very important certainly, but the liberties of individuals, their freedom and their right to a career is also important. We must not forget that, because we have by no means yet reached a happy balance between security and civil liberty in Canada.

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I should like to join with the last speaker, the hon. member for Burnaby-Richmond (Mr. Prittie), in discussing this motion. I think there is a mystique among government circles or those in councils of state, so to speak, about secrecy and the ramifications of it. In fact, I think it is time we took a look at the whole problem. In France, as I understand it, with their system of the conseil d'état, the citizen has such right if he is injuriously affected by a wrong ruling; we all remember the case of the young sailor which we discussed in the house last October. But there is no such right of action in this country, and I think it is time that we revamped our system and brought into our law a body of public law to protect the citizen.

I am thinking here of an article in the August 15 edition of *The Economist* in which the author was discussing the concept of the ombudsman and showing that really an ombudsman would not go far enough. To reinforce his argument he referred to the French system of the conseil d'état and cited numerous examples, one of which might have been taken from our own Canadian experience as it concerned a young man in a department of government who, just because of rumour, had been dismissed. But in France this person had a right of action. He was reinstated by an order of the conseil d'état and was also awarded damages.

I think the hon. member for Burnaby-Richmond—and I know others have discussed this—has a point here and that we really should have a committee consider the matter. I am not worried about any proliferation of committees in this house if the committees have something interesting and really useful to do. I think we should go into this whole system.

In a little book called the "British Government Observed", Professor Brian Chapman of Manchester University makes some very useful comments in some 64 pages of his book. I do not know how one could possibly observe the British or any government in 64 pages, but he does it in a very interesting way. He discussed what I have called this mystique of secrecy. We all bow before the altar and say that everything is all right, that the Prime Minister (Mr. Pearson) has said that all the procedures have been followed through and there is really no problem. This in a land of the free just is not good enough. The parliamentary secretary to the Minister of Justice (Mr. Macdonald) on a point of privilege said that everything was all right, that there was a review board, that the person who is being charged really does not have to come and that he cannot have counsel. But I know that in his heart the parliamentary secretary deplores having to make such an admission in this house. I know him and I respect him, and I know you do not have to be a lawyer to have a conscience.

Mr. Douglas: It is a lot easier if you have not.

Mr. Fairweather: Perhaps the hon. member for Burnaby-Coquitlam (Mr. Douglas) has a point there.

I liked the reference in this article to the council of state for Britain, in which it was suggested that the council is really not the enemy of the administration but is its conscience. I think that an administration based on Liberal principles—we are going to be talking about this a great deal in another city in the next few days, and this will be bowing before the tenets of Liberalism—should be proud to say that this system of public law which they might bring about is their conscience and their guideline, instead of saying that the Prime Minister says everything is all right, do not butt in or bother finding out whether a man's rights are affected or not.

If the parliamentary secretary in his point of privilege had brought in a statute, then we could rejoice with him and think that this terrible problem is really being attended to. I am told that the United States state department even today, which must be ten years after the nefarious McCarthy-type inquiry was prevalent, has not recovered from the terrible damage done to it by the sort of loose, false and unsubstantiated charges which were made in those days. I am not drawing any parallel, thank heaven, on this aspect—and I want to be clear here—between the two countries, but it might happen here. It did happen in the United States. Last October we were given an example where it could happen to a small, modest person. But the fact that in Canada in 1964 a citizen has not the right to go before the board of review and has not the right to be confronted by his accuser, which seems to me to be the crux of the matter, as well as be confronted by the evidence—I hope I will be corrected if I am wrong about this—leads me to submit that it is time that the mighty Liberal party got into high gear and attended to the matter so that we could all approve of their action.

At the end of Dr. Brian Chapman's book there is a little statement which I am going

to share with the house because I think it cuts through the fog which seems to emanate from government benches whenever we get into matters affecting secrecy. He says:

> This passion for secrecy has some constitutional support, but it clearly has much profounder psychological and sociological origins. Secrecy in public life panders to a craving for a sentiment of self-importance, of belonging to an inner circle.

Here I admit that the author is discussing crown privilege and so on, but I am satisfied that there is a very clear parallel. It is all part of the same sort of mystique or fog. He goes on:

> There is no doubt that this sentiment is frequently exploited in order to absorb critics and potential reformers into the system.

I think the government would do itself honour if it allowed this motion to pass and if the hon. member for Winnipeg North (Mr. Orlikow) had the privilege of examining these documents. I think this precedent, which the government should readily accept, would go a long way toward clearing up a most unfortunate attitude among members of the general public to this very serious problem. The hon. member for Burnaby-Richmond (Mr. Prittie) said that no more important subject could be considered by a committee. I am not able to put matters in order of priority in this way, but I do think it would be well for this House of Commons if we could take really effective action to improve the security measures in this country and, at the very least, give a citizen the right to be confronted, as I said, by his accusers, to see the evidence and have counsel.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise to speak in the very few minutes remaining before this debate must be interrupted, because of the regrettable absence at this point of my colleague for Winnipeg North (Mr. Orlikow), who hopes to be here later but may not arrive in time to avail himself of the opportunity the rules provide to make a five minute reply at the end of the debate.

On his behalf however, and on behalf of all of us who are associated with him, I should like to say that we feel the debate that has taken place on this motion demonstrates very clearly that the motion should be allowed to pass. The request contained therein is for the tabling of a copy of all government statements and directives to government departments during the past year regarding security procedures and investigations. For the reasons stated today by the hon. member for Burnaby-Richmond, and for the reasons just now stated so well by the hon. member for Royal (Mr. Fairweather), it seems to me that all parts of this house would be true to their best traditions if they agreed to this motion.

If any statement made during the whole course of this debate clinches the argument, Mr. Speaker, I suggest it is the statement made this afternoon on a matter of privilege by the parliamentary secretary to the Minister of Justice (Mr. Macdonald). I will not make any extended observations on the fact that he was not sure of his ground when he spoke on July 9 during this debate, but I think there is tremendous significance in what he said today, namely that despite these new procedures set up by this Liberal government, including a board of review, these procedures that are supposed to protect the liberties and the rights of the individual, an admission is now made that the suspected individual does not have the chance to appear before the board of review. That being the case, it seems to us that the least the government should be willing to do is make public these statements and directives which, for all practical purposes, are laws of the land—laws under which people may lose their positions, or have their lives seriously affected for all time. Therefore, Mr. Speaker, it is our hope that the government will change its mind with respect to the position stated earlier and agree to allow this motion to pass. If the government does not see fit we shall, of course, when the time comes, ask the house to vote on this issue.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I think the debate that has taken place so far in this house in respect of this notice of motion for the production of papers has been very useful in that it has drawn into focus some of the very real problems with which most members are familiar respecting this matter of investigating what are normally called national security risks. Whether this motion passes or not, we should like to know what the government is going to do about this board of review that was promised by a former minister of justice. Several months ago he promised, under great pressure I think, that this board of review was going to be set up. As has been stated this afternoon by the parliamentary secretary, and again by the previous speaker, there is now no possibility of an accused being able to present himself before this board of review and present his case directly. It seems to me that we have

lost some of the hope we had for justice being done in cases where serious mistakes have been made.

I should also like to say, Mr. Speaker, that in most of the democratic countries of the western world there have been adopted security risk procedures, if I may refer to them as such, that are almost indefensible when you try to reconcile them with the personal freedoms and personal rights of citizens. I am led to believe that in Australia and New Zealand they also have difficulty in carrying out what they consider to be proper investigations of these matters of national security risks. In spite of some measures that have been taken, such as the establishment of an ombudsman in New Zealand, this is still not completely satisfactory in so far as doing justice where mistakes have been made is concerned.

Some cases have been brought to the attention of this house where serious mistakes have been made, and this has been admitted. I am aware of other individual cases which have not been forcibly drawn to the attention of the house, in spite of the fact they have been referred to the Department of Justice on a number of occasions for re-examination. At this date I am still convinced that mistakes have been made, mistakes in so far as the conclusions that were reached on sloppy evidence, if I may use that word, gathered by the person doing the investigating.

Whether this motion passes or not, Mr. Speaker, surely on the basis of what the government has said from time to time, and on the basis of the sentiment expressed from many corners of this house, it ought to be willing to do something so that individuals who think they have been falsely accused will have some recourse, and that in this right to recourse they will have the opportunity of appearing before a board at which, if they are not confronted directly by the accusers, they ought to be faced with some of the so-called evidence against them. This is not an unreasonable request in my view, and although this relaxation may in some cases reveal the methods that are used by the investigating officers, surely this would be a small price to pay in relation to maintaining justice for those who have been falsely accused.

I do not intend to go into this situation further, or mention a lot of names and cases with which I personally am familiar and concerning which I believe justice has not been done, because to do so would initiate other problems. I do hope however that the parliamentary secretary to the Minister of Justice (Mr. Macdonald), and his minister, will give some very serious consideration to allowing some sort of recourse by means of a board of review, or otherwise, so justice can be done.

Mr. Macdonald: Mr. Speaker, I should like to rise under rule 37(1), and the exception thereto, to correct what I think was a misrepresentation of what I said at the beginning of the debate today, namely that there would not be a board of review established. I pointed out that there would be a board of review, but it was proposed that the British practice in this regard would be followed, under which there is no right to be personally present, or represented. I rather gathered from the remarks of the hon. member for Medicine Hat (Mr. Olson) that he was saying there would be none, and I rise to correct that particular statement.

Mr. Knowles: The more often you rise, the worse it gets.

Mr. Deputy Speaker: According to the terms of standing order 47, subsection 2, a minister of the crown may at this point speak for not more than five minutes. If no one speaks on behalf of the government, the mover of the motion has the right to speak for five minutes to close the debate.

No one speaks.

Mr. Knowles: Question.

The house divided on the motion (Mr. Orlikow), which was negatived on the following division:

YEAS

Messrs:

Barnett	Martin (Timmins)
Brewin	Olson
Cameron (Nanaimo-Cowichan-The Islands)	Orlikow
Douglas	Peters
Fairweather	Prittie
Irvine	Scott
Knowles	Winch—14.

NAYS

Messrs:

Alkenbrack	Bélanger
Armstrong	Bell
Asselin (Notre Dame de Grâce)	Benson
Asselin (Richmond-Wolfe)	Berger
Balcer	Bigg
Batten	Blouin
Beaulé	Boulanger
Béchard	Boutin
	Cantelon
	Cantin

Cardiff	Lessard (St. Henry)
Caron	Macaluso
Cashin	Macdonald
Chapdelaine	MacInnis
Chrétien	MacNaught
Churchill	MacRae
Clancy	McBain
Coates	McIlraith
Crossman	McIntosh
Crouse	McLean (Charlotte)
Cyr	McMillan
Deachman	McNulty
Deschatelets	Madill
Dionne	Mandziuk
Doucett	Marcoux
Drouin	Martin (Essex East)
Dubé	Matte
Dupuis	Moreau
Ethier	Munro
Eudes	Nasserden
Fane	Nesbitt
Favreau	Nowlan
Fleming (Okanagan-Revelstoke)	Nugent
Flemming (Victoria-Carleton)	O'Keefe
Forest	Otto
Forgie	Ouellet
Foy	Pascoe
Francis	Pepin
Frenette	Pickersgill
Gelber	Pilon
Gendron	Plourde
Girouard	Prud'homme
Granger	Rapp
Gray	Regan
Gundlock	Ricard
Habel	Richard
Hahn	Robichaud
Haidasz	Rochon
Hales	Rock
Hamilton	Rouleau
Harley	Roxburgh
Hellyer	Ryan
Howe (Wellington-Huron)	Rynard
Jones, Mrs.	Skoreyko
Jorgenson	Southam
Kennedy	Stenson
Kindt	Stewart
Konantz, Mrs.	Tardif
Lachance	Teillet
Lambert	Tremblay
Langlois	Tucker
Laniel	Turner
Latulippe	Walker
Laverdière	Watson (Assiniboia)
Leduc	Watson (Châteauguay-Huntingdon-Laprairie)
Legault	Webb
	Winker—131.

Mr. Deputy Speaker: I declare the motion lost.

It being six o'clock the hour for private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Favreau: I am pleased to inform the house that today an arrangement was made by all parties through their respective house leaders after consultation with the members of the parties to the following effect: (1) that the next supply motion to be called shall be the last supply motion this session, and (2) that as of Monday we will revert to normal hours.

Some hon. Members: Hear, hear.

Mr. Favreau: I am wondering, therefore, whether the house would give unanimous consent to the following two orders: (1) that commencing Monday, September 21, 1964, the hours of sitting of the house shall be as provided for in the standing and provisional orders, and (2) that, notwithstanding standing order No. 56(5), on the next occasion when a motion for an order for supply is called the estimates of the departments then outstanding shall be forthwith entered for consideration, and that the said motion shall be deemed to be the sixth and final supply motion in the current session.

Mr. Deputy Speaker: The house has heard the proposal put forward by the Minister of Justice. Is it ordered accordingly?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house will now resume the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF TRANSPORT

1. Departmental administration (including the former vote for the operation and maintenance of official railway cars), $3,773,800.

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. House again in committee of supply on the estimates of the Department of Transport. When the committee rose at five o'clock we were discussing vote No. 1.

Mr. Deachman: Mr. Chairman, I ask the indulgence of the committee to complete the very few remarks that I had begun when five o'clock was called, on the subject of grain handling facilities in the harbour of Vancouver. I think after the present season consideration must surely be seriously under way

with regard to the provision of an additional elevator in the port of Vancouver. That being so I would like to conclude with a few remarks regarding its placement.

The harbour of Vancouver, on the Vancouver side, is growing and becoming well filled with general cargo handling facilities. There is however ample space on the north side of the harbour for bulk handling facilities, and I think it would be the hope of many people who are familiar with that port that additional grain handling facilities be placed on that shore rather than on the Vancouver side. In making this suggestion I would point out that there is one difficulty which faces the construction of bulk handling facilities on the north side of Vancouver harbour, and that is access to that shore, because interswitching, as members familiar with the port know, is across the old second narrows bridge. This bridge is old and is coming to the end of its real usefulness.

I would suggest to the minister that in approaching this problem he and his engineers should give serious consideration again to an old, old idea; that is, to building a causeway across the neck of the north arm, which would cut off the flow of water into the north arm, control it with a lock, which would then permit rail movement from the north shore, across the causeway, across the north arm, through a tunnel in the mountain on the west side of the entrance to the north arm, and connect with the rail which now enters at the Imperial Oil plant at Port Moody on the Indian arm.

The effect would be to provide a circuit, or a horseshoe route on the Vancouver side of the harbour to the North Vancouver side; it would provide interswitching without the use of a bridge or a lift span; it would prevent the removal eventually of the existing old second narrows railway bridge, and it would do some other rather remarkable things. The flow of water into the harbour of Vancouver at Prospect point to the first narrows at peak runs is now at something in the neighbourhood of six knots, which makes it difficult for vessels moving in and out at peak flows. This however would cut off a considerable portion of the water which must flow into the harbour at high tide and it would indeed reduce considerably the flow of water at the first narrows and also at the second narrows, where over the years there has been considerable difficulty in navigation while the tides are moving. Such a causeway would also create, of course, a fresh water body, which is a rather interesting thing. This body would gradually convert itself to a fresh water body—I am referring to the waters of the north arm—and that would have considerable advantage indeed for log storage and other purposes. It would enable Vancouver to have a harbour railway which would run clean around the port of Vancouver, around the Indian arm to Port Moody and along the north shore without having to resort to the interswitching charges, which raise freight rates, back and forth between the north shore and the Vancouver side of the harbour. It would provide access for mainline railways coming down the Fraser valley to the north side of the harbour, which would be of very great advantage to that side of the harbour.

The whole project, if one looks at the map, consists of putting the fill into a narrow neck of water at the entrance to the north arm, the fill being provided from the tunnel which would have to be driven for about a mile through the mountain to connect with the rail at the Imperial Oil refinery at Port Moody. This would enable the use of the whole north shore of the harbour for the development of bulk loading facilities of all kinds.

There are new bulk loading wharves going up on the north shore. There is ample space there for the development of a grain elevator. I commend this project to the minister and his engineers for their careful study, before coming to any decision regarding the building of an elevator on that side, because this long term project would be of inestimable value in the total growth of the harbour of Vancouver.

Mr. Bell: Mr. Chairman, I feel obliged to say something on the Department of Transport estimates because I did not have the opportunity to do so last year. I also know something of the sensibilities and aspirations of the new minister and I know he would be annoyed if a maritimer did not say a few words about this important department. I intend only to mention general matters and two which have particular constituency application. The general subjects to which I wish to refer are winter navigation and the merchant navy, which are old favourites of mine. I am not going to go into their past history; I just want to emphasize one or two points which have come up and perhaps bring the committee up to date. I may mention from time to time in my remarks the Atlantic development board, but it will be with reference to genuine transportation matters. For proof of the importance of transport to the

maritimes one has only to consider the fact that many, if not most of the subjects with which the Atlantic development board are dealing concern transportation matters.

With regard to winter navigation hon. members will recall that the Atlantic development board made a thorough review of the effects of icebreaking in the St. Lawrence on the ports of Saint John and Halifax. They made a very good survey and a press release was published in this regard. There are also other surveys being conducted with respect to Saint John and Halifax. I remember that at the time the survey was referred to them there were some misgivings that the board might be involving themselves in activities not within their compass, but I think that this particular survey has proved to be a very good type of reference for them. In view of some of the activities in which the board are engaging I think it is worthy of note that this survey has met with the approval of everybody.

I should like to refer to two matters in the report which was published, this being my first opportunity to do so. If I may quote directly from the press release of the Atlantic development board dated May 15 of this year regarding winter navigation in the St. Lawrence river and gulf as it affects the Atlantic ports, it is significant to note that this was said:

> The main weight of the loss referred to falls upon Saint John, reflecting partly the greater volume of general cargo transshipment traffic through that port.

Everyone knows that it is the loss of general cargo about which we are concerned. I will not labour that particular point because it has been already debated, but on page two of the same press release a statement appears which I should like to put on record. I do not think this is an attempt to rewrite history in which the minister may have been involved, but the board make this statement:

> In the winter of 1957-58 the federal government began to provide icebreaker assistance to vessels entering the gulf.

Every schoolboy knows that this icebreaking activity was going on long before that, so I do not know why the year 1957-58 was mentioned particularly. Perhaps it was selected arbitrarily.

I recall that when I first came to the house in 1953 I made a speech, and if anyone would care to look it up they would find it dealt specifically with icebreaking activity at that particular time, about which I was complaining. This report of the board is an example of their work and is very comprehensive, but we still have not reached a solution. I presented a brief to the board in Saint John. When I did so I think they felt that I might have been adopting a partisan approach, but the board were very cordial to me. The two points I wanted them to consider, and which I mention now because of their significance to this department, were these. I think the federal government should admit fully their responsibility to Saint John and Halifax, promises to this effect having been made ever since confederation. Second—and this is more from the point of view of the public relations of the department—the government should make public exactly what they are doing in the St. Lawrence so far as icebreaking is concerned. There is no sense in trying to hide this. If they do make their activities known I think the sort of controversies which occur each fall might be avoided.

With respect to the merchant navy, hon. members will recall that I have raised this subject for many years now. In a private member's motion this year I pointed out that there was a greater need than ever for the revival and development of a Canadian merchant marine. I showed that men would be trained for the sea and there would be a tremendous help from a defence standpoint. I also mentioned that with the increasing development of bulk cargo throughout the world it is even more important from this trade point of view that Canada have its own ships. Today the S.I.U. seem to be making moves, with elections coming up shortly, to bring about perhaps a more stable future for seamen. However, a certain matter was called to my attention which indicates the state of mind still existing in Canada, and which the minister will have to overcome if he sincerely hopes to do something about the merchant navy.

On August 6 last I asked a question in the house of the minister of external affairs with respect to the United Nations conference on trade and development which took place in March of this year in Geneva. The resolution on which I based my question was framed in this way:

> All countries should co-operate in devising measures to help developing countries to build up maritime and other means of transport for their economic development to ensure the unhindered use of international transport facilities.

The surprising thing, Mr. Chairman, when this resolution was put to the meeting, was that Canada abstained. There were 92 in favour, 7 against with 17 abstentions. We stated why Canada was against the resolution,

and I suppose I should mention the reason. It was because we felt that the special principles should make it clear that the building up of maritime transport in developing countries should be based on sound economic criteria.

Although this may seem obscure, Mr. Chairman, I mention it to show the state of mind existing in Canada which the minister will have to overcome in order to make us more sea conscious. We are basically a nation of landlubbers. I just mention this to spur the minister on. Mr. Chairman, I mentioned the two general matters, winter navigation and revival of the merchant marine. I should now like to discuss two local problems in my constituency. The minister did not make a statement at the beginning of our consideration of his estimates. I do not seriously object, because I think we would really be perpetuating the bad habit we have acquired in referring to minor items on the discussion of first item. Actually such details should be referred to at a later time during our discussion of particular items. However having received the invitation to do so, I intend to mention these two local matters.

At the outset I should like to state that in discussing these items I have an opportunity to pay tribute to a distinguished marine agent in Saint John who died very suddenly last week. He was a very devoted civil servant and at all hours of the day could be called on to deal with the many problems which were brought to him. I refer to the late Frank A. McKinnon.

First, we have one of the few municipal airports left in Canada in Saint John. It is a good airport of which we are proud, and we are pleased that we have been able, in a private enterprise way to survive. I have heard a great deal of talk on numerous occasions about this airport being sold to the federal government, although that idea is not mine. I hope that if serious negotiations ever take place the federal government will make a very handsome offer to the municipal authorities.

We have experienced problems, and I do not say that any particular favour has been played by the federal government in respect of other airports with which we are in competition, but it seems impossible, with its importance and the growing demands for new improvements, to compete with other completely federally operated airports. Recently in Saint John we have had difficulty as a result of weather conditions, and a lot of flights have been cancelled. Hon. members know that there is no such thing as a fog in Saint John, or we never admit this publicly, but many flights have been cancelled recently. I think public relations on the part of the government have fallen into a bad state. I suggest a weather forecaster should be appointed for the Saint John airport under the Department of Transport. Our weather forecasts now originate in Halifax and are accurate for the most part, and probably serve a purpose, but I suggest to the minister that a weather forecaster be appointed for the Saint John area in order to dispel criticism that falls on the government whenever a flight is cancelled. I think such a man could be a very useful buffer between the public and the government, putting an end to the criticism that, whenever a flight is cancelled in Saint John at the same time flights are operating out of Fredericton, Moncton and Halifax, it is the fault of the government. I am not complaining because flights have been cancelled, but suggest that from a public relations standpoint, if for no other reason, the minister would be justified in seriously considering some sort of an employee with sole responsibility for deciding whether or not flights should be cancelled.

The second matter of local interest to which I should like to refer is a harbour bridge. A day or two ago, I asked the Minister of Transport a question about the Atlantic development board and its consideration in respect of assistance toward the development of a harbour bridge in Saint John. I do not intend to deal with this subject at any length, and I should have liked to include Halifax in my remarks, but there has been some criticism in this regard. I agree to a certain extent that the Atlantic development board should not be involved in this type of activity, but the field is now wide open. The board is assisting in the building of roads and other things, and I think this is about the only way we in Saint John are going to be able to afford such a bridge. Therefore, it seems the Minister of Transport is going to be responsible in some way for dealing with this problem. I hope that he will consider this idea favourably, and provide some assistance through the Atlantic development board, or the national harbours board —which would be involved if the bridge was built in a certain location in the harbour— or perhaps through the municipal loans board.

I should like to make two comments in conclusion, Mr. Chairman. I was pleased to hear the minister announce that there would be further grants in lieu of taxes in con-

nection with the national harbours board property. This will be welcomed by all the national ports affected. I also noted that St. John's, Newfoundland, is to be included as a national harbours board port, and we think this is good, and are very pleased. I suppose one could say there really is not much competition between Saint John, New Brunswick, and St. John's, Newfoundland, but by such an inclusion of the national ports, a tradition is maintained.

I should like to say in connection with the national harbours board that I have always felt it to be a very good agency. From time to time criticism has been levelled at the board but it has always done a good job and I hope plans go forward for protecting its future. Often we hear the suggestion that in this day and age serious changes might have to be made, but the board agency in Saint John has been very helpful to our port.

The previous member who spoke, the hon. member for Vancouver Quadra, referred to the grain elevators in Vancouver. We have two or three grain elevators in Saint John, but the grain elevator which was operated by the Canadian National Railways became little used and in bad repair, and there is now a suggestion that it should be sold. I think that the national harbours board, which has had tremendous success in the operation of grain elevators, should take over this elevator in Saint John on a permanent basis. I refer, of course, to that elevator in the centre of the city.

One other matter I wish to mention, and I am not going to do so in great detail tonight, is the Maritime Freight Rates Act and related problems. I understand the suggestion has been put forward by the hon. member for Peace River and others, that it is advisable that in respect of any piece of legislation which comes forward as a result of the MacPherson report, there should be some method of segregating the discussions. I am interested in railway legislation that affects the maritimes and am less concerned at the moment with railway abandonment, which looms so large out west. But, I think if there were special subcommittee groups to deal with each aspect of this type of legislation they would be of tremendous help to the minister and those who are going to be affected.

I have dealt with two national matters, the first being winter navigation, and I am sure that the subjects will be discussed again this fall. I hope the minister takes some of my advice in this regard. I tried to bring my thinking in respect of the merchant navy up to date for the purposes of this debate, and I hope I have done so. I concluded my remarks by referring to two local matters which I hope the minister will consider. I deliberately did not prepare an address for this evening because I just wanted to mention these matters in a general way.

Thank you, Mr. Chairman.

Mr. Pascoe: Mr. Chairman, I have two matters I should like to discuss briefly now. As the hon. member for Saint John-Albert stated, these are local problems. I may enlarge upon them and give more details when we come to the particular items, namely the grade crossing fund and air services. In case we do not reach these items tonight, I want to refer now to the two problems that are of great interest to my home city of Moose Jaw. By my referring to them now, the minister might be in a position to give answers to these questions when we come to the particular items.

Dealing with the grade crossing fund first, I want to draw to the attention of the minister the protracted negotiations with the board of transport commissioners in regard to the plans drawn up by Moose Jaw to reduce the traffic hazard on what is called the Fourth avenue bridge over the main line, and the large freight yard of the Canadian Pacific Railway. I am given to understand that officials of the board of transport commissioners have inspected the proposed renovations and changes to the overpass, and that they have agreed that these changes will greatly reduce the traffic hazard on the structure, which was designed for much slower traffic than the present flow of cars, trucks and buses, which at peak loads now form an almost continuous movement. The traffic hazard is particularly acute in winter because of snow and ice conditions.

I am sure the board of transport commissioners are impressed with the need for the proposed changes in the interest of greater safety and less traffic congestion. As a result of a telephone call home today I was informed by city officials that full inspections and inquiries have been made by the board officials. If an early and favourable decision could be given it might be possible to arrange for some winter works on the project. I bring this matter to the attention of the minister so that he may help in having an announcement by the board of transport commissioners speeded up.

My other point, Mr. Chairman, relates to a press release from the Department of Transport dated August 18, and which is headed, "D.O.T. co-sponsors community airport planning research". This press release reads in part as follows:

> The federal Department of Transport, in co-operation with the social science research council of Canada (a non-government, non-profit organization), is providing technical and financial assistance for a series of studies on what constitutes a good, economic community airport to serve the needs of training, recreational, local and itinerant flying. Dr. Neil McArthur associate professor of geography at the Royal Military College, Kingston, is conducting the studies.

Farther down the press release reads:

> For the past two years Dr. McArthur has been doing research in the general field of community airport development in peninsular Ontario and in the integrating of small airports with the economic and recreation areas they serve.

I am speaking in the interests of my home city, Mr. Chairman. As the minister knows, Moose Jaw has a large R.C.A.F. station for pilot training on the new Tudor jets. There is also a small civilian landing field north of the city. There is no regular air service. I know there can be no commercial air flights from the R.C.A.F. base. I am speaking with regard to the possibility of extending the civilian airfield north of the city or the possibility of constructing a new landing field.

The previous government had a program for what were called local airstrips and development airstrips. In the case of development airstrips there was a federal grant of up to $100,000 for an approved project. In a statement issued in 1958 the minister of transport in the previous government referred to these development and local airstrips. His statement reads in part as follows:

> In addition, there have been a great many cases recently where local authorities would like to have an airstrip as a means of improving the status of the municipality. These are not cases where schedule service is involved or where the existence of the air strip is essential to the community because of its remote location. They are cases in which the existence of an airstrip would appear desirable and helpful, although not essential, and where the strip would primarily be of benefit to the persons engaged in flying training, private flying, charter flying with small aircraft, and private business flying.
>
> These projects do not fall in the essential category, but if on examination we determine that there is some possibility of use for these purposes that merits assistance, we will share in the total cost of this sort of project with an appropriate local entity, up to a maximum of $100,000 on the part of the federal government, with the local interest being allowed to include cost of the land in its share of the project. In these cases as well, title of the land would have to be transferred to the federal government, with the local authority assuming operational responsibility for the strip after construction.

I should like the minister to tell me if this program of federal assistance is still in force. As I said, Mr. Chairman, these remarks might have been held over until we reach item 30 for air services or item 82 for the grade crossing fund. I have made these brief references now so the minister will be in a position to answer when the items are reached. I trust he will be able to give me some information concerning these matters I have raised.

Mr. Rynard: Mr. Chairman, I shall confine myself to questions at this point and not go into a lengthy speech. Perhaps the minister will answer my questions when the particular items are under discussion.

The first question I have is, have we rules and regulations covering pilots of all craft flying? For example do we have two pilots on all licensed airplanes, or where is the cut-off point? I should like to know this, and I should like to know also how long a pilot is allowed to fly a plane continuously before someone else takes over. In other words, what is his period of duty? I should like to know how often these pilots are called in for a medical check-up. I think this is very important in view of a statement made the other day at a medical meeting by a well regarded medical man to the effect that after 40 years of age two out of three of us are prone to coronary attacks. I am wondering if we should not look a little more closely at the rules and regulations in view of the vast expansion in flying.

A further question has to do with elevators. Is it the policy of the government to give a private elevator in business in a rival company the same service from the department as is given for example a C.N.R. elevator?

Then there is a further question I would like to ask the minister, and it has to do with low water levels, and this would involve northern affairs and public works, as well as transport. Would it be possible to take a rather more generous attitude where dredging must be done, due to low water levels, until this situation is controlled, either by dams or possibly by damming up tributaries to the great lakes? I would ask the minister to take a long look at this.

[*Translation*]

Mr. Ricard: Mr. Chairman, I shall only take a few moments of the time of the house, so

the minister can answer questions which are of particular concern to my constituency and especially to the town of St. Hyacinthe.

It is a well-known fact that, since 1957, St. Hyacinthe has been experiencing a remarkable development.

People who know something of this town located on the south shore of the St. Lawrence river are aware that it is cut in two by C.N.R. tracks.

Several years ago, there were three roads one could take to get from what is known as the southern part of town to the northern section. Around 1940, if I remember correctly, two of those level crossings of access were closed, to be replaced by a tunnel for motor and horse-drawn vehicle traffic, at Laframboise boulevard.

This sufficed for a number of years, but as I said earlier, because of a large increase in population these last few years, it has become necessary to open at least another roadway, a tunnel, if you like, so as to make it easier to cross from one part of the city to the other.

At peak hours, at noon for instance, traffic is so heavy that workers are greatly delayed, since most factories are located on the north side of the railroad tracks.

I know that the St. Hyacinthe city council intends to ask for the construction of a tunnel off Choquette boulevard. I would not be surprised if negotiations were already under way with government representatives. I should like to take this opportunity to ask the minister to give his kind attention to the requests submitted to him or to any division of his department. This matter is of capital importance.

By using his influence, not only will the minister have done a lot to gain the esteem of the member for St. Hyacinthe-Bagot in the House of Commons but I know that the population of the city of St. Hyacinthe will be grateful to him. His kindness and his graciousness will have won him their affection.

I would not want to deprive him of the opportunity to make a name for himself.

That is why I urge him to give special consideration to that request when the city council gets in touch with him.

[*Text*]

Mr. Olson: I had not intended to speak at length on the estimates of the Department of Transport, and my intention was based on two reasons which I shall explain later. However, since the minister's opening statement was reduced to an invitation to members of the committee to make suggestions to him on what he ought to talk about, I feel compelled to take part in the discussion and to invite him to address himself to certain specified matters.

It seems to me there is a certain amount of overlapping between the discussion now taking place and the debate on Bill No. C-120. That bill is of such magnitude and complexity that it covers a large part of the activities of the department. I do not want to discuss its provisions but I would like to make a few suggestions, which I hope the minister will support, on how the bill should be proceeded with from this point forward. We should recognize that it may be preferable to send the bill to the committee on railways, canals and telegraph lines at an earlier stage than is ordinarily done. The reason I suggest this is because after second reading and agreement in principle it may be more difficult to accept amendments suggested by the committee.

I also suggest that there may be profound differences of opinion respecting certain clauses in the bill and, if they are agreed to in principle on second reading before representation is made on them in the committee, it may make matters more difficult.

Further I would ask for the minister's cooperation in reorganizing the committee structure of the house to some extent, to meet the need we will face with respect to the railways bill. The committee may find it necessary to break up into subcommittees to consider various aspects of the legislation, and there are at least three major aspects of it that should be considered separately. Also there should be an extension of the life of the committee beyond prorogation, and when I talk about prorogation I have in the back of my mind some date just before Christmas. Whether I am making a good guess or a bad one is immaterial, but if members on both sides have such a target date for prorogation it will be very difficult to finish consideration of the bill and have the committee's recommendations brought back to the house before then.

Mr. Knowles: Which Christmas?

Mr. Olson: 1964 is the one I had in mind. I would not like to see all the work of the committee die at prorogation. I know that in 1945 and other years we got around this problem by simply adjourning rather than proroguing, so that the committees could carry on. But it seems to me we could do something now to give formal status to com-

mittees between sessions, so that there will be no need to use subterfuges of one kind or another. I hope the minister will give a favourable response—

Mr. Pickersgill: I wonder whether the hon. member does not feel he should be addressing his appeal to his hon. friend from Winnipeg North Centre who is, I understand, the chairman of a subcommittee on procedure which, as far as I can see, has proceeded at the slowest pace of any committee we have ever had.

Some hon. Members: Hear, hear.

Mr. Knowles: I wonder whether I could be permitted to bring the Minister of Transport up to date. The committee on organization and procedure has set up a fourth subcommittee of which the hon. member for Medicine Hat is chairman. It is really a committee on committees, and what my hon. friend is doing is putting in a commercial on behalf of the good work of that committee.

Mr. Pickersgill: At the beginning of his speech the hon. member for Medicine Hat said he would make some unorthodox remarks because I had issued an invitation for members to do so. Well, it was not an invitation; it was resignation. I do not mean that in a political sense, but in a philosophical sense. I was aware that a certain number of speeches would be made but I would not like to think that any member of this committee would be tempted to follow the hon. member for Medicine Hat. I think it would be wonderful if we could get through the general part of this discussion and turn to the detail as soon as possible. I do not wish to interrupt the hon. member, but I hope we will not get into a discussion here on the structure of special, sessional or standing committees of the house because that would lead us far astray. Nevertheless I am much interested in what the hon. gentleman says and I would like to talk to him about it behind the curtains.

Mr. Churchill: That would ruin his plans.

Mr. Olson: I can assure the Minister of Transport that the work of the committee on organization and procedure and of the fourth subcommittee which deals with committee structure is proceeding as rapidly as possible. Some suggestions will be brought forward and we do need a favourable response from the Minister of Transport. I may add that they would assist him in getting his bill through parliament. It is not my purpose, however, to transgress the rules of the house by discussing this matter any further. I have only brought it up because this is particularly applicable to the Department of Transport.

One question I should like the minister to discuss—and here again we are in the grey area where it is difficult to know whether or not one is transgressing the rules of order—concerns federal responsibility in the field of highway transport. This is a subject which has been brought up on a number of occasions. So far, it appears that the limited responsibility which the federal government has assumed has been exercised through the Department of Public Works. It seems to me that the growth in importance of highway transport in Canada indicates that it should properly belong to the Department of Transport. It is not good enough simply to transfer responsibility to the Department of Transport unless there is to be increased activity. If responsibility were transferred, we would assume the federal government would undertake a greater degree of responsibility. I believe that some of the expenditure proposed out of the railway rationalization fund, as I think it is called, could be better invested in improving highway transport than in keeping some of the uneconomic branch lines going over a long period of time when we know full well that some of them will be of diminishing value.

Another matter I invite the minister to discuss is this question of regional air line services. We have waited several months for a statement by the minister respecting a new policy on regional or feeder air line services. We have had a sad experience with what used to be called the southern prairie run. I want to tell the minister now that we do not want any repetition of what happened in connection with that service—the transferring of half a million dollars worth of equipment to TransAir under certain agreements, with the contracts left open to the point where TransAir, in this case, could renege on its responsibility to provide an air line service while keeping the $500,000 worth of equipment which was given to it.

We set up Trans-Canada Air Lines, now known as Air Canada, so as to provide air services for this country. It was not confined to providing air services from Vancouver to Toronto and Montreal, skipping over all the other cities in Canada without providing feeder or branch line services at all. If the trend which has been established continues, Air Canada will be telling us they have no aircraft smaller than the Viscount, which is a 60 passenger plane. It will then be

argued that no service can be provided to any city where traffic does not allow a reasonable load for a 60 passenger plane. It can be assumed that the Viscounts will be phased out in the course of the next three to five years and then we shall be in a position where Air Canada does not possess any aircraft smaller than the Vanguard. Where do we go from there?—to the DC-8? Would it reach a point where Air Canada has only DC-8 and DC-9 aircraft? These are not aircraft which can provide a satisfactory air service for Canada to include all our cities, and I think it is the responsibility of Air Canada to reconsider its policy in this respect. I do not accept the contention that Air Canada cannot own any aircraft smaller than a Viscount. There are all kinds of modern aircraft smaller than the Viscount which could be used to give a satisfactory and profitable air service to some of the smaller cities of Canada.

Medicine Hat, which I represent is not the only city to be affected. Swift Current, Yorkton, and other cities in Manitoba are affected. We are now without an air line service completely. Trans-Canada Air Lines withdrew over a year ago. TransAir then assumed the responsibility to provide this service but before a year had elapsed they withdrew. I am not suggesting the company should have continued the kind of air service it was providing. Representations were made time and again that its schedules were not conducive to attracting business. But instead of adjusting those schedules so as to make satisfactory connections with the transcontinental run the company simply produced figures illustrating its contention that the service was not being used to a sufficient level, and then withdrew.

I do not think it is valid to put forward the argument that profit or loss in connection with an air line service should be calculated between every point of landing. For example, the service between Calgary and Regina should not be calculated in such a way that it has to show a profit, any more than it should from Medicine Hat to Calgary, or from Toronto to Timmins, or between any other two points.

I think we have a right to expect reasonably comprehensive service for the whole country, and that the whole operation should be considered in the profit and loss statement. Certainly these feeder lines which feed into the transcontinental runs do not always pay for themselves because of their limited scale; but they do provide additional passenger and freight loads for the long runs. Therefore I would ask the Minister of Transport to address himself to some of the questions I have raised, without asking him to duplicate the debate that is going to take place when the railway bill comes before the house. That bill may not come back to the house for several weeks, and we would like to have some direction as to its process through the committee before it comes back to the house and becomes law.

Mr. Alkenbrack: Mr. Chairman, while we are discussing item 1 of these estimates there are two matters I should like to bring to the attention of the committee and the minister. The first concerns the general radio service, which is the name of the organization in Canada. In the United States, where the idea first originated, it is known as the citizens' band—the frequency band set aside for the use of citizens for general communications. I have here a letter I received from one of my constituents who belongs to the organization in Canada and points out the very inhospitable manner in which this government treats United States visitors when they bring this type of equipment into Canada. This letter reads in part as follows:

> I am taking the liberty of enclosing our general radio service paper. (We) got two of these radios for business last spring and we have found them so helpful businesswise and pleasurewise. The Department of Transport apparently doesn't wish to recognize these radios or the clubs formed so that members are aware of all rules and regulations and realize the advantage of using our radios properly.

When their United States counterparts come to Canada—that is, the counterparts of the general radio service people in Canada—they are forced at the border point by our Canadian customs officials to shut off their transmission equipment, and I am told that in most cases this equipment is sealed so that it cannot be used while they are in Canada. These people call themselves CBers, and they have sent me their periodical in which appears an editorial headed "Let's Tear Down the Iron Curtain". I would draw the attention of the minister to the fact that the reference there is to the curtain of silence that is enforced by our laws in connection with visitors to this country. The editorial says:

> Many CBers from the United States are arriving at our border expecting to travel into Canada for a vacation and visit with GRS operators in Canada on their travels. Unfortunately many of these tourists are being given a sour taste of Canadian government hospitality by having their CB sets sealed to prevent their use while in our country.

This editorial runs the length of the page and I will not burden hon. members by reading any more of it, but that is the gist of the editorial. I believe this periodical has a wide circulation. Elsewhere in this publication they give us some bad publicity in a section headed, "Welcome to Canada!" It is said, underneath a picture showing some of their radio equipment:

Here's the welcome greeting CBers from the United States get from the Canadian government when they arrive at the Canadian border. A customs seal is placed on their set in some way as to prevent any transmissions from the rig. In this case the mike was removed from the input and a seal placed on it so it could not be used without being broken. Through lack of an agreement, U.S. mobiles are not allowed to use the CB sets while in Canada. Consequently, a fortune in tourist business is lost each year from CBers who would come to visit and vacation in Canada if it was made legal for them to use their sets.

I am not raising this matter solely on behalf of United States citizens, no matter how worthy may be their motives. We know they bring a great many tourist dollars to our country, and we need this money and their business very badly. But that is not my reason for bringing this matter to the attention of the minister. I am speaking mainly for their Canadian counterparts who are not in such great numbers as is the case in the United States, but who form the general radio service club of Canada. I believe it is time the Canadian and United States governments entered into an agreement with regard to the common use of a radio band by these two allied organizations. Technically it could be the same band as that used in the United States. Agreement should be reached with regard to Canadian and United States communal use of this system. Our country is larger than the United States, and less populous. We could encourage the use of this facility in a manner commensurate with the encouragement it receives from our more populated neighbour country to the south.

I have been informed that this hobby, or operation—it is not completely a hobby; it is also for public use—is very popular amongst ranchers, forestry workers, lumbermen, the construction industry, missionary and social welfare workers in remote areas, and hobbyists in radio communications. I bring this matter to the attention of the committee, Mr. Chairman, hoping that some effort will be made by the minister to correct this unfair situation.

Finally, I have received a communication from the international brotherhood of teamsters, chauffeurs, warehousemen, and helpers. This concerns, of course, the Canadian government railway. It is a protest against the continual escalation of subsidies to the Canadian government railway. You will notice, Mr. Chairman, that I did not say "Canadian National Railways"; I used the old term that was used when they were first founded, namely Canadian government railway. No matter how large an organization they have built up since then, we are responsible for the situation that exists in the railway. The letter is addressed to me and reads as follows:

Dear Sir:

There is a very persistent rumour that the federal government has ordered various transport companies to use the piggyback services provided by Canadian National and Canadian Pacific Railway companies in order to reduce the operating deficit of the railways. If there is any basis in fact for this rumour, then I strenuously object to the order, as this is unfair competition and displaces hundreds of men in the transport industry who would otherwise be moving these loads over the highways.

If the government of Canada is sincerely concerned in the displacement of men through automation, then I suggest that they consider the abolishment of piggyback orders, if they exist. The railways cannot possibly suffer by providing this service, as there is certainly not rate cutting that will be a benefit to the transport companies involved.

Further, the railways are continually buying out transport companies, or controlling shares in them, and are also cutting rates to the point where no transport company could possibly compete, and then when they experience an operating deficit they apply to the federal government for a subsidy. They are allowed to continue this rate cutting, and nothing is being done to curtail this practice. If a transport company operated in such a manner, where can they get a comparable subsidy?

There is no indication that the subsidy paid to the railways is not being applied to the transport companies they now control, and if this situation is allowed to continue, the economy of the country cannot possibly survive without additional tax burdens.

As a taxpayer of this country, I strongly resent the foregoing situation and suggest that all these points be thoroughly investigated and the populace of this country be informed of the true facts.

Submitted for the consideration and investigation of the respected house.

Yours truly,
R. Carron, President

That letter, Mr. Chairman, is from the international brotherhood of teamsters, chauffeurs, warehousemen and helpers and is sent from their local office in Kingston. In passing this letter on for the due and thorough consideration of the Minister of Transport and his department I would point out to the minister that there is a good deal of basic common sense in the letter.

Mr. Nasserden: Mr. Chairman, I have a very few words to say on the first item of the

estimates. I believe some months ago I made reference to the question of a national air policy and asked when the government would be bringing such a policy forward. It was stated on that occasion, I think, that the former minister, who is now President of the Privy Council, had had his officials study the question and that a new policy would be forthcoming some time in the future. I would like to impress on the minister and on the government the importance of that aspect to our economy today. Without in any way trying to detract from the good work the Minister of Transport is trying to do today, I think we can say that his department is loaded down quite heavily, particularly when one considers the fact that in the next two or three years the government will have before it the recommendations of the royal commission on transportation, and in particular the problems of railways. This will require a great deal of attention from the minister.

I believe there is a growing feeling in the country today that what we need in parliament is a minister for aircraft services and development. If we take a look at the increasing traffic on our highways, the increasing value of the civil aviation industry and the need for volume in the manufacturing of small aircraft, all of these matters indicate that this is a branch of government which needs more attention than it can possibly receive at the present time under one ministry, which has all the other transportation services under its jurisdiction. I want to leave that thought with the government, and I believe the minister has on one or two occasions voiced an opinion somewhat along the same lines.

However I do have a suggestion to offer. I am not too sure how practical it is, but it might be an indication of the increasing importance of civil aviation in this country. I would ask the minister whether some study will be given to the possibility of assisting glider clubs across the country as a means of eventually promoting an interest in smaller aircraft. I should also like to bring to the minister's attention, as I did on a former occasion, the fact that many of the people in our smaller towns are wondering whether the federal government and the Department of Transport are going to formulate a policy of assistance in the construction of local airports for smaller aircraft, the use of which no doubt in the next 40 or 50 years will become more frequent each year.

Another matter I want to raise concerns the port of Churchill. I am wondering whether the minister can tell us whether there is any research being undertaken in order to try to stretch out the navigation season for that port.

The final matter I want to mention is with regard to the royal commission on transportation. I do not intend to go into this question in detail as we will have other occasions to discuss it, but I believe it is a very important matter which will be engaging our attention. Not only will the committee on railways, canals and telegraph lines be considering it but I suggest subcommittees should also study various aspects of the matter as well, so that the whole question can be dealt with more expeditiously than would otherwise be the case. The minister's statement the other day left me a little disturbed, I must say, particularly his observations on the subsidy for passenger services. There were other matters mentioned which appeared to indicate that there might be some erosion of the Crowsnest pass rates. I know the minister will assure us that that is not the thought in mind, and I am not going to raise that particular aspect tonight.

There is one matter which, in view of the intentions of the railways to abandon some of the lines, might merit some consideration by the government, and it is the feasibility or necessity or possibility of providing some kind of bridge building incentive to the provinces in order to alleviate some of the hardships which might otherwse be caused by some of the rail line abandonments which seem, as far as the economy is concerned, to be soundly based. I do not think there is anything else with which I need deal at this particular time, Mr. Chairman.

Mr. Knowles: Mr. Chairman, whether or not we get the first item of these estimates through tonight, I hope the minister will take the floor. A good many things have been put to him about which he should make a comment or two, and I should like to emphasize two subjects concerning which it would be desirable to have a statement from him tonight. One is of pretty wide general application and the other affects a particular group of people.

I notice the minister pointing to the clock and that seems to be a suggestion that I co-operate so that he can get the floor. I assure him that I shall do so.

The first subject I want to underline has been dealt with or alluded to by a number of speakers, namely the question of a clear statement on the part of the government so far as air policy is concerned. I remind the minister that once, but only once in the

history of this country has there been a clear statement of government policy with respect to civil aviation. He knows when that was made and that I was a member of the house at the time. He was something more; he was a grey eminence.

Mr. Pickersgill: I was not as grey then as I am now.

Mr. Knowles: Nor as eminent, either.

I refer to the civil aviation policy for the post-war period announced in this house in 1944 by Right Hon. C. D. Howe.

Mr. Pickersgill: I think the hon. gentleman is rather mistaken. The policy was originally announced by Mr. Mackenzie King some months before that.

Mr. Knowles: That is right, Mr. Chairman, the general lines were first announced by the then prime minister, but a few months later, in 1944, Mr. Howe in a very clear and detailed statement gave us the full program, and it was clear and definite. This was one of those occasions when the members of the group to which I belong gave wholehearted support to that policy. I regret to say that within two years Mr. Howe started to whittle away at his own policy.

I see the Minister of Transport shaking his head but I can give him chapter and verse if he wishes. He does not want me to take the time, and accedes to my assertion that in 1946 Mr. Howe started to whittle away at that policy by changes that were made with respect to the question as to whether or not surface transportation companies could own air lines. Perhaps that is enough to convince the minister that I know whereof I speak.

From then we have gone on to still further watering down of the air policy set out by Mr. King and Mr. Howe in 1944. At the present time, along with all the other dilutions of policy that have taken place both under the previous Liberal government and the previous Conservative government, we are now left with considerable uncertainty. The minister tells us that statements are going to be made, but we are kept waiting for them. In the meantime we are presented with rumours and press reports about some companies like TransAir wanting more deals, such as the hon. member for Medicine Hat and others have referred to tonight. This has been very unsatisfactory. I want to support the line that was taken by the hon. member for Medicine Hat, which is the line we have taken through the years, that the main cornerstone of aviation policy in this country should be Air Canada. That was the heart of Mr. King's and Mr. Howe's policy of 1944, and we regret very much that governments that have been in power since have moved away from that policy.

As I say, Mr. Chairman, I am ready to cooperate and make it possible for the minister to make a statement tonight, so I need not spell this out. I just hope I have drawn his attention to it sufficiently, and that I have provoked him sufficiently, that he will say something clear and definite on this question tonight.

Mr. Chairman, I now turn to the other subject that is on my mind, and if I have not been sufficiently provocative with respect to civil aviation policy I will try a little harder now. I want to say something about the position of retired C.N.R. employees whose retirement took place before recent improvements were made in the pension plan of the C.N.R. I say to the Minister of Transport, my friend of his former Winnipeg days, that he is the biggest disappointment we have had in the ministry of transport with respect to this subject. Other ministers have at least promised to look into the matter themselves, but all this minister has done is to act as a messenger boy and refer the matter to Mr. Donald Gordon, and then refer us to what Mr. Donald Gordon has said.

I submit, Mr. Chairman, that this whole question of the position of retired people on pensions which were fixed in previous years or previous decades is one of national policy, and that the government has to be concerned not only about plans like the Canada pension plan, which we hope we will get some day, but about retired civil servants, other groups such as former members of the R.C.M.P., and retired employees of the Canadian National Railways. I regret very much that all the minister has done since he became minister of this very important department is to tell me that he would refer the matter to the president of the Canadian National Railways, and that the president of the Canadian National Railways had given a certain reply. I know the matter was taken up in the presence of Mr. Donald Gordon in the committee on railways, canals and telegraph lines, when Mr. Gordon appeared before that committee this year, but so far the government has washed its hands of this whole matter. I say to my hon. friend that there are some retired Canadian National employees in Winnipeg who still remember when the Minister of Transport was a Winnipeger, and they are surprised that he seems

to be doing no better with respect to this subject than some of his predecessors have done.

Mr. Chairman, I said I would co-operate by not taking up much time, but I hope when the minister gets the floor to make a speech he will have something important to say about these two important subjects.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I should like to make only a few remarks about grade crossings. Although there would be much to say on that matter, my observations will be brief.

The government should undertake a large program in order to eliminate grade crossings which are still numerous in Canada and especially in the province of Quebec.

Besides, grade crossings cost many lives and are the cause of quite large material damages that Canadian citizens have to pay for because, generally, the railways are never responsible for those accidents.

For instance, the C.P.R. line crosses the community where I live and the highway at six different points, over a distance of three miles. In the dead centre of the town of Lac Mégantic, there is a grade crossing at the crossroad of four main streets and of the highway. Every year, we have to regret the loss of human lives and heavy material damages at that crossing.

The authorities of Lac Mégantic have been making pressures and representations on that matter for some 30 years. They have a very thick file on this and it seems quite difficult to obtain anything because, to date, nothing was done concerning that grade crossing.

That is why I am suggesting to the minister, and this is quite possible, to come to an agreement with the Minister of Public Works regarding those grade crossings.

The C.P.R., the federal and provincial governments, and the municipalities should take advantage of the winter works program to remove those various grade crossings.

It seems to me that many municipalities do not know how to spend money earmarked for winter works and waste considerable amounts in unnecessary winter works. It would be much better if the money was spent to eliminate such crossings; it would serve a good cause and improve the situation considerably.

I think something should be done in that regard.

In the town of Mégantic, taxpayers lose a considerable amount of time whenever a train blocks traffic.

There are three such crossings right in the centre of Mégantic. Shunting operations are carried out right in the middle of the street, which thus becomes practically impassable. Very seldom can one go over the tracks without having to wait five, 10 or 15 minutes.

I believe the town of Mégantic intends to insist on the elimination of that level crossing.

I call on the minister to do all in his power to carry out, not only in Mégantic but throughout Canada, a vast program to remove level crossings which take a heavy toll in human lives. Human life is priceless and the government must do something, because nothing can replace such a great and noble gift.

I should now like to say a few words about radio broadcasting in my city.

The federal government has a small radio transmitter in Mégantic, but reception is almost nil. In the daytime, we pick up the C.B.C. fairly well, but from 7, 8, 9, and 10 p.m., it is almost impossible to get that station. Since American stations interfere with the C.B.C. network, local citizens would be very grateful to the Minister of Transport if he could do something about it.

The small radio transmitter in our city might not be powerful enough. At any rate, reception is quite unsatisfactory, and I do not know exactly why. I was asked to report the matter to the Minister of Public Works and to ask him whether it would not be possible to effect some improvements in our small radio station.

I repeat what I have already told the minister: An agreement should be reached with the other departments so that we can get rid of railway crossings under the winter works program. In my opinion, that would be a great improvement throughout the country and that would do a great service to municipalities in the province of Quebec and throughout Canada.

If such an agreement were possible, a large number of towns in my constituency could undertake the elimination of grade crossings under the winter works program. That would be a very useful means for people generally to spend the money set aside for those works.

[*Text*]

Mr. Nesbitt: I realize the minister wants to get the floor and answer some of the questions that have been asked, so I shall do my best to co-operate and make my remarks very brief. I shall deal with a subject with

which I have dealt a number of times during the 12 years I have been a member of this house. It is a subject that is becoming of increasing importance every year. I refer to the search and rescue organizations on the great lakes. I confine my remarks to the great lakes because they are international waters over which the federal government has appropriate jurisdiction. The regulations that have been drawn up by the Department of Transport under the Canada Shipping Act apply to other waters as well, so I shall direct my remarks to the great lakes themselves.

I have found that every minister of transport over the years, starting with Hon. Mr. Marler and succeeding ministers, has been very helpful with this matter. They have all done something. I should like particularly to pay a compliment to the deputy minister of transport, Mr. Baldwin, who has spent a great deal of time dealing with matters such as this. At the moment there are a number of groups, governmental and non-governmental, on the great lakes which provide search and rescue organizations. In the non-governmental category, I refer to power boat squadrons and certain private fishing boats that are agreeable to assisting in connection with this matter. There are of course provincial police organizations, chiefly in the province of Ontario, municipal police and the like. There are other groups that I should like to mention as well, but time does not permit.

One of the principal jobs during the summer months on the great lakes is trying to co-ordinate these search and recue facilities. This is of course strictly a seasonal job. As I mentioned earlier, it is becoming increasingly important because of the number of small boats on the great lakes. I should not like to give a figure because I do not know, but I would estimate that the number of these boats has increased 10 or 20 times since the end of world war II. I know of one place, for instance, on lake Erie, namely Long Point, where on the opening day of the fishing season there will be approximately 3,000 or 4,000 boats going out into very dangerous and rough water. There is an increasing number of drownings on the great lakes every year.

Since this work is of a seasonal nature, chiefly during June, July, August and perhaps early September, the department would not be justified in going to the expense of employing people for this job on a year round basis. This is clearly not necessary. Perhaps during the summer months students from universities could be employed on this job as co-ordinators between existing search and rescue services, from the Royal Canadian Air Force down to the power boat squadrons I mentioned. I think a great deal of good would be done. When an accident occurs many people do not know with whom they should get in touch. Time is of the essence in these situations and sometimes five or ten minutes can make the difference between life and death.

Five or ten minutes could make the difference between the saving of lives, and deaths in drowning accidents, and if these co-ordinators could be placed at the principal resort and boating points on lake Huron, Georgian bay, lake Erie and lake Ontario they would be a great help. Most university students finish their courses in May and they could undertake a three week training.

This would only be a seasonal job, but that is all that is necessary in this particular situation. It is part of the government's program to assist more students to go to universities. Hon. members know the difficulties students have in obtaining summer jobs, and the more students go to universities the more jobs they will need. The government could kill two jobs with one stone. Perhaps that is an unfortunate metaphor but I think the minister gets the general idea, that the plan I outline could be of assistance to students who require summer work and at the same time it would add to the safety factor on the great lakes.

In addition to training, these students might also be given certain law enforcement authority because we all know that a number of people of all ages, and they are not confined to teenagers—sometimes they are old teenagers of 40 and 50 years—get hold of power boats and rip in among people swimming near the shore, thus creating a great hazard. While regulations do exist providing for action to be taken against these people, their enforcement has been difficult, and it would be helpful if the co-ordinators were given power to enforce the regulations and deal with people who are reckless and careless of human life and limb when other people are swimming.

Mr. Clancy: Mr. Chairman, I have a question I would like to bring up again with the minister. It is about four and a half months since I raised it first and at that time he said he would take it into consideration, but since then I have heard nothing about it. It is a purely local problem. Why is the same rent charged by the D.O.T. for Yorkton footage as is charged at Regina, when you consider the facilities at both airports?

I have written to the minister's department three times and I have never had an acknowledgement of my letters. Most of the other departments at least acknowledge my letters—they may tell me to jump over the moon, but at least they acknowledge them.

Mr. Pickersgill: Before the hon. member for Winnipeg North speaks perhaps I may be allowed to apologize to the hon. member for Yorkton. To the best of my knowledge his letters have not been brought to my attention and I have no intention of being discourteous. I am very sorry he has not had an answer.

Mr. Clancy: I hope the minister will take this under immediate consideration as the problem still exists and the people of Yorkton are incensed.

Mr. Orlikow: The first matter I want to refer to is the T.C.A. repair base in Winnipeg. I do not intend to put the history of that base on the record again, nor the changes which have been made at that base. This matter has been discussed on a number of occasions and the minister must know that the citizens of Manitoba, regardless of what economic group they come from, regardless of the party they represent, are unanimous in their feeling that Winnipeg has been treated shabbily by the management of T.C.A.

I want to put on the record just one illustration of why Manitoba feels the way it does. In February 1949, when T.C.A. announced that it was moving its operations administration staff from Winnipeg to Montreal—some 155 people—the president of T.C.A., Mr. Gordon McGregor, issued a statement in which he said in part:

> There is no conceivable reason, nor any grounds for suspicion, that this move marks the beginning of a mass transfer of T.C.A. activities from Winnipeg to Montreal.

But of course since that time there have been mass transfers of various T.C.A. departments from Winnipeg to Montreal. However, it is not my intention to go into them in detail.

Hon. members will recall that big delegations came to Ottawa to make representations about this matter, that they saw the Prime Minister, that the Prime Minister and the former minister of transport made statements, and that both statements were interpreted in Winnipeg by everyone, including that old friend of the minister, the Winnipeg *Free Press*, as a commitment that no more changes would be made until further studies were undertaken. Finally the government agreed to the appointment of a one man commission to investigate the whole question of T.C.A. operations in Winnipeg.

At present the various organizations in Manitoba which made representations previously wish to make representations to this one man commission. It was understood that the Manitoba government would get a copy of the Dixon-Speas report—not the edited version but the original report with all the information contained in it—so that it could put its experts to work in order that it could make the fullest and fairest representations to the one man commission.

It was understood this commission would begin its hearings in October, but according to a report which appeared in the Winnipeg *Free Press* on September 4, Arthur Mauro, the Manitoba government's transportation counsel, said that as of that date the Manitoba government had not yet received a copy of the report. I shall read a sentence of an exact quote from Mr. Mauro:

> We are concerned about the delay because we were promised a copy of the report when the commission was established more than two months ago. Mr. Thompson, the commissioner, is doing everything possible to get us a copy of the report so we don't expect the holdup to last much longer.

There may be a reasonable explanation for this, but I want to warn the minister that the people of Manitoba have had so many explanations from T.C.A. that they have lost practically all their faith in the president of T.C.A., and I would urge the minister to make inquiries, if he has not already done so, to see that that report is turned over to the Manitoba government as quickly as possible.

The other matter I would like to raise is one which I expected the minister to deal with when he introduced the resolution preceding the bill to implement some of the recommendations of the MacPherson commission report. I refer to the fact that last year the house had before it a bill introduced by my hon. friend from Port Arthur, Bill No. C-15 to amend the Railway Act. The purpose of that measure was to provide that railway employees who lost their employment as a result of changes beneficial to a railway should be compensated by that railway for the cost of rehabilitating themselves with new skills saleable on the labour market. This bill must have had a lot of appeal because instead of being talked out, as are 99 per cent of the bills brought in by private members, it was sent to a special committee—

Mr. Martin (Timmins): To be talked out there.

Mr. Orlikow: The hon. member for Timmins says "to be talked out there". The fact is that the committee held a large number of meetings, heard evidence from the railway companies, from the railway unions and from other interested parties and then made a report which was virtually unanimous recommending in essence that sympathetic consideration should be given to the bill. I do not wish to enter now into the arguments which were presented. Hon. members are aware of the background of this measure. I might point out that the number of railway workers covered by non-operating labour unions in 1962 was 152,000. This year the unions are negotiating for 102,000 workers, the figure having been reduced by almost one third. This is what has happened, and nobody questions the right of the companies to reduce staff in accordance with changing methods so that the operation may be as efficient as possible. Nobody questions the need to do this. But we have now reached a position where, because of new methods of operation, the dieselization program, the use of steel freight cars, automatic hump yards, computing equipment which has eliminated a great deal of paper work, and, I would add, because of the kind of legislation we are to be asked to consider in detail to implement the recommendations of the MacPherson commission, these reductions in staff will probably continue for a considerable time.

I do not wish at this time to discuss the provisions of this bill brought in by my hon. friend from Port Arthur, because we shall have an opportunity of doing so on another occasion. But it does seem strange to me that neither today when we are discussing the estimates of his department nor the other day when he introduced a resolution preceding another railway measure, did the minister take the opportunity to indicate the government's view on the important principle contained in the measure which the hon. member for Port Arthur put forward last year, namely that railway workers, particularly those who have put in long years of service, should not be displaced from employment in consequence of technological changes or because of branch line abandonment programs at an age when it is virtually impossible for them to find other jobs. I maintain that the companies have an obligation both moral and legal to look after people who have worked for them and who have given their best years to the service of the railways. I should like the minister to give us some indication of the government's view on this question. I do not expect the hon. gentleman to say: This is a very good bill which the hon. member for Port Arthur has introduced and we intend to bring it along. I do not expect any government to process a bill proposed by a member of another party. But it seems to me the minister should at least indicate the general policy the government has in mind with respect to this question, a question which affects the well-being and the livelihood of tens of thousands of workers in this country.

Mr. Pickersgill: I see I have only the time left which is allotted to a private member. If therefore my remarks in reference to some of the points which have been raised are brief, I hope hon. members will not mind. In order to avoid turning the pages of my notes back and starting again, perhaps the hon. member for Three Rivers will forgive me if I leave his observations to the last; he will remember what was said in the gospel about that—and I do not mean to apply the same precept to the hon. member who has just spoken.

I should like to deal with the points he raised. I read the same piece in the Winnipeg *Free Press* as he did and I am making inquiries to find out why the Manitoba government has not yet received the Dixon-Speas report. As soon as I have the information I will let the hon. gentleman know why it was.

Mr. Orlikow: Let the Manitoba government know, not me.

Mr. Pickersgill: The Manitoba government will probably find out as soon as I do. I am sure they are grateful to the hon. gentleman for acting as their porte parole in this house. As for the introduction last year of the bill by the hon. member for Port Arthur, I am not sure whether the hon. member for Winnipeg North was a member of the railway committee or not, but I indicated very clearly, I thought, the position which I took, and which the government took, on this matter. The questions involved in the hon. member's bill are of such far-reaching importance, affecting automation not merely in the railways but in the whole of the economy, that we felt they required a good deal more study than the committee had been able to give to the matter during the last session of parliament. The Department of Labour is studying this whole question and I am hopeful that as a result of these studies some constructive suggestions will be made to deal with this problem, which is primarily the responsibility of the

Department of Labour rather than of the Department of Transport. I may say in passing that in the bill which I was privileged to introduce the other day I recommended that parliament should restore what most people believed to be the law until the supreme court decided otherwise. This action would go some distance in the direction the hon. gentleman recommends. But we do not feel at the present time, having in mind the implications in relation to other occupations, that without additional study we could recommend going further at this particular time. But I would not like anyone to think we do not realize that this problem is, in many ways, the biggest which faces an industrial society.

The hon. member for Yorkton asked a question about an attempt to charge a relatively small place such as Yorkton the same amount as was charged in Regina. That is something I feel very regretful about neglecting and I will try to get an answer as soon as possible.

I was much interested by the suggestion of the hon. member for Oxford, and the fact that he related it to my ancestral home was perhaps not entirely accidental. I will certainly see that his suggestion is considered.

The hon. member for Compton-Frontenac and several other hon. members talked about the desirability of eliminating grade crossings. I think anyone who reads the newspapers or listens to the radio at any week end will realize how important is this subject. I do hope we can continue to make as much progress as possible in this connection. As for the problem of radio reception to which the hon. member referred, I will see that it is looked into.

The hon. member for Winnipeg North Centre raised two subjects, one of which I do not intend to deal with until I come to the hon. member for Three Rivers, who raised it first. It will be the last topic with which I shall deal, and I hope to leave most of my time to deal with it. On the question of the retired C.N.R. employees, the hon. member described me as a messenger boy. Well, Mr. Chairman, I have nothing against messenger boys; I have carried many messages in my time. But the hon. gentleman does raise a question on which I suspect he and I would never be able to see eye to eye, no matter how long we lived; because I have never been able to convince myself that because someone had spent most of his working life on the public payroll and had then retired, he was entitled to consideration above that given by the general policies of the government to other citizens who had retired, but in some cases were not even fortunate enough to have as good a situation as those people who, though their pensions admittedly are very inadequate, were on the public payroll. It has always seemed to me that our social security policies should apply in similar circumstances to all sections of the population.

This may be because I have never represented a constituency in which there was a considerable number of these employees, and I do represent a constituency where the incomes are not very high and where there are very few people who receive pensions at all except the old age pension, which everyone gets uniformly. However, Mr. Chairman, I have always felt it was better to try to raise the level of social security for older people equally, for all kinds of older people, regardless of who their previous employer might be, and that it was rather difficult to find an equitable justification for singling out certain people because at one time they happened to be employed directly or indirectly by the state. I know the hon. member does not agree with that view. I do not think either of us would convince the other. He is perhaps right in saying that I have not been very zealous about the matter; but I am at least being honest about it.

The hon. member for Rosthern wants to stretch out navigation at Churchill. I would tell the hon. member that long before he was born I belonged to the "On to the Bay" association, and if there is one thing that stirs my imagination from my boyhood days it is navigation through Hudson bay. Whatever else I may be as Minister of Transport I am bound always to be an enthusiast for that particular route; even after visiting the place, as I did during the Easter holidays. My visit was short, I might add.

Mr. Knowles: You must have been in short pants, too.

Mr. Pickersgill: During the Easter holidays? No, it was in short breath. I am not sure that the best way of extending the season at Churchill is not perhaps to handle a greater volume in the season when the ships now operate, rather than trying to extend the number of months in the season. It might add up to the same thing. But there are very difficult technical problems. That does not mean we are not going to try to keep on solving them, because we solve new technical problems all the time.

The hon. member for Prince Edward-Lennox talked about the citizens' radio band and the seals that are put on the radios of United States tourists. I am happy to say this matter was brought to my attention some weeks ago, and this policy has been changed, notwithstanding the fact that the United States will not reciprocate and still puts seals on our radios. As for the hon. gentleman's references to the competition between the railways and trucking, I think we are going to have many other opportunities of discussing this subject.

That brings me to the hon. member for Medicine Hat and his interesting suggestions about how to deal with the railway bill. I am going to make one suggestion myself. Since everyone else has been transgressing the rules, perhaps you will let me do the same, Mr. Chairman, unless someone objects very strongly. I am going to suggest that it probably will not be feasible, having regard to the other matters that are coming before this house, to have the railway bill come back for second reading in the month of September. It might therefore be very desirable if we could have a totally informal series of meetings which would not be meetings of the committee as such, but of members of the railway committee or such hon. members as may wish to attend. Any hon. member who is not a member of the committee could attend these meetings if he wished to do so. Perhaps these meetings could be held in private, so that a lot of positions would not be taken up. In this event, Mr. Chairman, I would be very glad to make available certain of the officials of my department to be asked questions about the bill. I think if that were done in an entirely informal way—perhaps you might call it a sort of seminar or study group: I know I sometimes made fun of these things when on the other side of the house, but they have their purpose—something useful might be achieved in this respect. This is a highly complex piece of legislation, and no one is more anxious to get it dealt with expeditiously and at the same time properly by the house than I am. If a number of hon. members who are members of the railway committee would like to indicate to me, to my parliamentary secretary or—though I have not had a chance to speak to him yet—the hon. member for Ottawa East that they would be interested in this kind of project, I would be very glad to see if we could organize it.

I think it would be much better to have a debate about what the bill really means than to have misapprehensions in the minds of hon. members in trying to decipher its legal language. I confess quite frankly that when I read the bill the first time, before I had a little instruction, I was rather confused by a great part of it.

Mr. Knowles: You had a head start.

Mr. Pickersgill: Well, necessarily. I will be very happy if anyone can catch up; and I will not be very surprised. I am going to beg off any attempt to make a speech tonight about highway transport, having been warned by the hon. member for Rosthern that I am trying to do far too much and am spreading myself far too thinly over too many things. I think I should leave alone a subject that is not part of my responsibilities at all.

I will come to the subject of regional air services again at the close of my remarks. The hon. member for St. Hyacinthe-Bagot, after paying a tribute to the amazing growth of that city which is apparently growing faster than any other in Canada, or at least in the province of Quebec, asked for a few tunnels, and one in particular. I will tell the C.N.R. about this and I will endeavour to earn his gratitude. I hope he will be as forthcoming about the flag as I am about his tunnel.

Mr. Knowles: Order.

Mr. Fane: Bribery and corruption.

Mr. Pickersgill: The hon. member for Simcoe East asked one or two questions about pilots. I do not pretend to carry this information in my head; a messenger boy has brought me this little note. I am advised that we do have rules for medical examinations applicable to all pilots, and they vary depending on the category of the pilot. Permissible flying hours also vary according to the individual company but they are reviewed from time to time by the air transport board as a part of the company's operating certificate, and pilots must be examined medically once a year. If the hon. member wishes more details we will be very glad to let him have them.

The hon. member asked about grain elevators and whether the same service is provided to elevators owned by private companies as elevators owned by the C.N.R. I am not sure whether the C.N.R. does own any elevators, but I think the hon. gentleman means elevators owned one way or another by some public agency. I should have thought

that so far as any general services of the Department of Transport are concerned they would be quite the same, but the main services he would probably be interested in would be dredging and that sort of thing, which is not my responsibility, of course, but the responsibility of the Minister of Public Works. That would apply also to dredging generally. I will have to put a little pressure on the Minister of Public Works to do a little dredging this year in the great lakes because of the water levels.

The hon. member for Moose Jaw-Lake Centre had some things to say about the grade crossing fund in so far as it affected Moose Jaw, and I will see that the board of transport commissioners have their attention directed to his observations. I will also have details given to him about this problem to which he referred, and they will be sent to him in writing.

The hon. member for Saint John-Albert made one or two suggestions about how to deal with railway legislation along the lines which were elaborated a little more by the hon. member for Medicine Hat. He said that the national harbours board was a good thing and I think that was gratifying to me as well as to the board. The hon. member mentioned the harbour bridge in Saint John. I do not think anything will contribute more to the economy of Saint John than the building of the harbour bridge, and I can tell him that I personally am very sympathetic toward doing everything I can so that that project is proceeded with as quickly as possible.

Whether or not having a Department of Transport weather forecaster at the Saint John airport would make people happier when planes did not come in I am not absolutely sure, but at any rate we will give the matter careful consideration. I know the hon. member's interest in the merchant navy. I share it, but perhaps not quite with the same degree of enthusiasm as he, as I am sure he is the most enthusiastic member in the house, at least on that side of the house, on this matter. I also know his views about winter navigation. There is a problem there of balancing one part of the country with another and balancing the interests of both, which is not easy to do.

As for the constructive suggestions made by the hon. member for Vancouver Quadra concerning Vancouver harbour, and particularly the grain handling facilities there, I may say I am very anxious to see the expansion of the grain handling facilities and the facilities for handling bulk cargo generally in Vancouver harbour. Anything I can reasonably do to push that ahead will be done.

I feel very sad about those lobsters to which the hon. member for York-Scarborough referred; I hope they were not dead before the party. We are looking into his problem about the delivery of express, and we are trying to solve all of the problems of Scarborough, including redistribution. The hon. member also referred to the monopoly of taxi and other services at the airports, as did several other hon. members. I think I dealt with this subject at some length in reply to an intervention by the hon. member for Burnaby-Coquitlam when we were considering interim supply some time ago, and I do not think I can usefully add anything to what I said on that occasion. I forget the page in *Hansard* in this regard, but I am sure hon. members can look it up. It is an awkward problem, and I certainly agree with what everyone has said about it—that as long as people have any kind of monopoly they have to be watched.

The hon. member for Quebec East said he thought the job of Minister of Transport was too big for any one man. I am not sure that I entirely disagree with that, but notwithstanding the excellent schemes which have been put forward for dividing up the department, if you are going to try, as we are trying in the legislation we are now putting forward, to look at the transportation problems with which parliament has to deal as a whole and try to get some co-ordination, it is frightfully difficult to separate the department. Perhaps when we get some of these policies better worked out it might be possible. Personally I should like to carve off some of the peripheral parts of the department and get rid of them if I could; but it is really a problem for the Prime Minister, not for me, as I have enough of my own, as I have been told.

The situation in the railways in Quebec city to which the hon. member for Quebec East referred is being pursued assiduously by my hon. friend the hon. member for Quebec South, my parliamentary secretary. He is very zealous about these matters and I am sure they can safely be left in his hands. I think that applies to most of the questions, except the one about the television in Gaspé which was raised by the hon. member for Quebec-Montmorency. However, I think I should say that my hon. friend for Quebec South and I have more faith in the growth of the harbour at Quebec than the hon. member for Quebec-Montmorency showed. We

believe there is going to be a very great expansion of that harbour in the next 20 years and we want to be very careful not to inhibit our capacity to expand. At the same time the problem of the Beaupré shore to which the hon. member referred is being considered very actively indeed at the present time. I will try to get together as quickly as I can such statistics as are available to us which the hon. gentleman wanted, and furnish him with them.

With regard to the problem about the television, I really think this is outside the scope of my responsibilities in any event. This being the case I am not going to say anything more about it tonight.

I come now to the observations of the hon. member for Comox-Alberni, who had some complimentary things to say about the air transport board and its operations. I have no doubt that it was partly as a result of his urging that they did have a hearing in British Columbia, and I am sure that it is a very good thing for these governmental agencies to see on the spot what are the conditions which prevail whenever it is possible to do so. I must say that the question of the flaw in the Aeronautics Act, or what the hon. gentleman thought was a flaw, is something I will have looked at, and perhaps if we ever get to that bill something might be done about it. With regard to the matter of facilities for water landings for planes, the hon. gentleman is not wrong in thinking that this matter is a matter of real interest to me. I have landed in planes in some of the most unlikely places along a coast that is almost as difficult as the hon. gentleman's coast. This is one of the matters which we have to tackle more earnestly than we have up to the present.

The submission of the British Columbia aviation council, which was given to me when I was performing another function as commodore of the Kelowna regatta, is being studied at the present time by the department.

In respect of many of the things about these wharf charges, to which the hon. member referred, I at any rate have a feeling of sympathy, if I do not agree in total with them. It was perhaps not the most auspicious part of my beginning as Minister of Transport, that just before I began there was a complete overhaul of these wharfage charges. This did create the impression in my own constituency that my first act as Minister of Transport was to charge more for the use of wharves, which, perhaps if I had control of the timing, might have been done a little differently. However, I think the hon. gentleman can be pretty sure that on this subject I will tend to be on the side of the users of the wharves, just as far as one can and still have some regard for the public interest. At any rate, the regulations with regard to wharves are not, in my view, as the laws of the Medes and Persians, but are subject to change almost without notice if I can think of any good reason for changing them.

I do not think I will attempt to add anything to what I said about community antenna television on July 22, which the hon. member can reread at page 5799 of *Hansard*. I have no new views on the subject since I gave those on that date. In view of what the hon. gentleman said about television reception in certain parts of his constituency he ought to get together with the hon. member for Kootenay East. I suggest that they make a joint attack on the C.B.C. in respect of this matter and, at any rate, they will carry my sympathy with them.

I come at last to the remarks of the hon. member for Three Rivers, and I intend to take in opposite order the items to which he referred, dealing first with the problem in respect of the use of our waters and the conservation of our waters. I do not think I should really attempt at this stage to add anything to what I said in reply to the hon. member for Grey-Bruce on orders of the day. I should very much like to see the agreement of the house leaders, who seem to be very agreeable these days, to put through the motion to have this reference to the committee, so that we can have a good look at what is now being done in the country and at what some of these problems are during this session. I think that would help a great deal to understand this better and to enlist greater support from the house generally for what needs to be done.

The hon. member referred to a reserving of the business of northern supply for ships on Canadian registry. I think the hon. gentleman is perhaps not unaware of the fact that I got my fingers slightly burned in this particular traffic and I will probably be a little more careful next time.

About cabotage, the Senate has given its blessings to the policy suggested by the hon. gentleman, when he was minister, in a bill that is now on the order paper, and that, God willing, we will reach some time before Christmas.

I hope in the near future to be able to make a rather detailed statement about ship-

building and this whole matter. There has been a great deal of shipbuilding done because of the subsidy policy introduced by the hon. member for Three Rivers. I think the time has come to make a thorough appraisal of the results of that policy. Certainly one of the results has been a vast increase in employment in shipyards, for which we are all very grateful.

I do not think I will say anything more about bus and taxi services at airports.

I now come to the general question of air policy. I think I ought to start by recalling to the hon. gentleman that I have not got much more than three minutes left at this time. The last time I attempted to do this these three minutes were taken up by others and I had to accept an invitation from the C.B.C., and that is the only time I have ever been on, so the hon. member for Burnaby-Coquitlam does not need to feel that he is the only one who is left out. Perhaps this evening the committee will be more inclined to listen to me even, though this is only repetition.

The principles recommended as a basis for civil aviation policy are:

(1) In the international field, air services provided by Canadian air lines should serve the Canadian interest as a whole; these services should not be competitive or conflicting, but should represent a single integrated plan, which could be achieved by amalgamation, by partnership or by a clear division of fields of operations.

(2) In the domestic main line field, while the principle of competition is not rejected, any development of competition should not compromise or seriously injure the economic viability of T.C.A.'s main line domestic operations which represent the essential framework of its network of domestic services. In other words, there must not be the kind of competition which would put T.C.A. into the red; and, in the event that competition continues, the air transport board should ensure an opportunity for growth to both lines above this basic minimum.

(3) In formulation of policy based upon the foregoing point, a reasonable role for regional air carriers providing scheduled and regular air service must be established; this role must provide for a relationship between the regional air carriers and T.C.A. (and any other licensed main line transcontinental carrier) which will give the regional air carriers a reasonable chance to operate without government subsidies.

If I could have three minutes more and the committee saw fit to listen to me I think I could conclude these observations.

Some hon. Members: Agreed.

Mr. Pickersgill: I asked the two air lines to hold discussions to see within this framework whether they could come up with some agreed recommendations. I hope that they will have, at any rate, reached agreement on a great many points by the end of September. On some points they have already reached full agreement. I believe that a lot of the conflicting difficulty outside Canada has already been solved. However, I do feel that the greater the measure of consent and agreement we can get in these matters, rather than the imposition of policy from above, the more likely it is to work smoothly and effectively.

I am also very much impressed with the fact that it took, to my personal knowledge, a year and a half at least, and maybe longer, before the policy that was formulated in those general lines by Mr. Mackenzie King, and extended in 1944 by Mr. C. D. Howe, was worked out. My own view is that that policy, even with some erosion of which I did not approve, I might add, has served this country pretty well for 20 years. I am more anxious to see that any policies I recommend to my colleagues, and that my colleagues join in recommending to this house, will work for 20 years, than in trying to meet some deadline of September 30 or October 31. What we want to do is to get a policy that is right for this country. If it takes two or three extra months to do it, so far as I am concerned I think I would be wiser to take the two or three extra months. I do believe that this framework which was announced on May 1, and with which I found very little quarrel in any part of the country, is on the whole the right framework within which to work out this policy.

I do agree, too, that there has to be a proper balance between the one or two main line carriers, whichever there are going to be —I am talking about the domestic field at the moment—and the regional carriers. I do not believe that one great, single carrier can perform all the scheduled air service for this country satisfactorily. I think the headquarters would be too far from the field. For a regional scheduled carrier to operate effectively, his headquarters have got to be in the area of his operation. I say this not from any theoretical standpoint. Anybody who has been a politician in Newfoundland in the period I have been, when at the start you

did not have very many roads, who has seen how dependant a region can be on air services for the essential services, knows that a regional service could not be effectively provided from Montreal. I think that would be even truer of British Columbia, which is still farther away.

I think we have to get a proper balance. It is very important to get that balance in such a way that, so far as possible, the users and not the taxpayers pay for the service. This does not mean that there may not be air services so essential to the national interest that they have to be provided even if they will not pay. However we do have to get this balance. We are going to get it, but it is not going to be easy and it is not going to be achieved next week. I am going to keep right on pushing just as hard as I can for the achievement of this, which I think is every bit as important as the railway legislation. The government, as all hon. members know, has made firm recommendations to parliament in this railway legislation. These firm recommendations do not mean that every comma in that bill has got to stay as it is. There would be no sense in sending it to a committee, there would be no sense in studying it in advance or having subcommittees, if that were our attitude. We do believe, however, that along broad lines we have made good recommendations. I hope before the end of this year I will be able to make good recommendations, too, about air policy.

Now, I was just wondering, since we have had a broad ranging discussion, if the committee might feel inclined to carry the first item of my estimates. Then, all specific questions could be dealt with on specific items.

The Chairman: Shall the item carry?

Item agreed to.

Mr. Knowles: That is enough.

Mr. Pickersgill: I am grateful to the committee. I am glad no one minded too much my not making a speech at the beginning.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting house leader if he will just record in *Hansard* the business for tomorrow, for the convenience of members?

Mr. MacNaught: Tomorrow we will consider the main estimates of the department of northern affairs, followed by the Department of Public Works and the Department of Citizenship and Immigration.

At 10.35 p.m., the house adjourned, without question put, pursuant to special order.

[The following items were passed in committee of supply this day:]

DEPARTMENT OF TRANSPORT

A—Department—

1. Departmental administration (including the former vote for the operation and maintenance of official railway cars, $3,773,800.

1a. Departmental administration, $78,400.

HOUSE OF COMMONS

Friday, September 18, 1964

The house met at 10.30 a.m.

HOUSE OF COMMONS

TABLING OF INTERNAL ECONOMY COMMISSION MINUTES RESPECTING SALARY REVISIONS AND ANNUAL LEAVE

Mr. Speaker: May I ask leave to table the following documents: (a) extract from the minutes of a meeting of the commissioners of internal economy held on Monday, September 14, 1964, authorizing salary revisions for employees of the House of Commons in certain classifications; and (b) extract from the minutes of a meeting of the commissioners of internal economy held on Thursday, September 17, 1964, relating to annual leave for the staff of the House of Commons, both regular full time and sessional.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, would it be in keeping with our practice to have these documents made appendices to today's *Votes and Proceedings*? Perhaps Your Honour knows whether or not this has been done in the past.

Mr. Speaker: It has been suggested to me that while it is not customary to make this an appendix to *Hansard*—

Mr. Knowles: I suggested *Votes and Proceedings.*

Mr. Speaker: —we could, if it was the wish of the house, include it in *Votes and Proceedings.* Does the house so agree?

Some hon. Members: Agreed.

BIRTHDAY CONGRATULATIONS TO LEADER OF OPPOSITION

Right Hon. L. B. Pearson (Prime Minister): May I ask your permission, Mr. Speaker, to convey on behalf of all members of the house, I would hope, on this occasion our felicitations and congratulations to the right hon. Leader of the Opposition on his birthday.

Some hon. Members: Hear, hear.

Mr. Pearson: I do not think I can do better than convey to him the traditional wish of many happy returns, with an abundance of health and happiness. There is certainly no doubt whatever, Mr. Speaker, about his health, and I can only think of one thing that might make him happier. It is a source of continuing regret on my part that I am not able to co-operate more wholly in his achievement of that objective.

Some hon. Members: Oh, oh.

Mr. Pearson: Nevertheless, on this day there are no party differences between us, and I am sure we all join in wishing him the very best in the days and weeks and months ahead.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to associate the members of this party with the remarks which have been made by the Prime Minister. We would like to extend to the right hon. Leader of the Opposition our best wishes for many happy returns of this day. We trust that his health will continue to permit him to serve his party and his country; that he will have many more years in which to keep the government on its toes and to make the very excellent contribution which he can make to the public life of this country.

The right hon. Leader of the Opposition is fortunate in his good health; it can be said of him, as it was said of one of old, that his eye has not dimmed nor his natural force abated. He is still in good health, and we hope that for many years to come he will be able to continue his public service to the people of Canada whom he has served with such distinction in the past.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is with genuine pleasure that we in the Social Credit party associate ourselves with the remarks of the Prime Minister and the leaders of the other groups in the house in conveying our very sincere wishes on the birthday anniversary that the right hon. Leader of the Opposition is today celebrating. We likewise wish him much happiness and good health. We are certainly mindful of the fact that as he enters his seventieth year time is something that none of us can hold back, and as the years approach for all of us we are specially mindful of these birthdays that come around. Thus we offer him

our very best wishes. I would say to him, Mr. Speaker, that I do not have any more gifts to offer him than those I have already given him during the past year.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. L. P. Antoine Bélanger (Charlevoix): Mr. Speaker, I am glad to add the voice of my own group to that of the others in wishing the right hon. Leader of the Opposition (Mr. Diefenbaker) a happy birthday, good health and many happy returns.

May Divine Providence keep him with his family, first, and then with his party for a long time to come, for he is a perfect gentleman and it is a real pleasure for us to have him as Leader of the Opposition.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am deeply touched by the gracious and kindly words of the Prime Minister, the hon. member for Burnaby-Coquitlam, the hon. member for Red Deer and the hon. member for Charlevoix. I am particularly impressed, as always, by this spirit of friendship in the House of Commons that transcends all partisan considerations. I say to one and all, touched as I am by what they have said, that I hope to be here for a long time. I was also particularly appreciative of the fact that the Prime Minister promised co-operation in the days ahead as in the past.

CANADIAN FLAG

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. H. M. Batten (Humber-St. George's) presented the second report of the special committee on a Canadian flag, and moved that the report be concurred in.

Motion agreed to.

ROYAL VISIT

ADDRESS BY HER MAJESTY TO BOTH HOUSES OF PARLIAMENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with the approach of the visit of Her Majesty the Queen I wonder whether the Prime Minister is in a position to inform the house as to the general program, and in particular whether any consideration has been given to the suggestion I made the other day that the Queen

[Mr. Thompson.]

address both houses of parliament. I know this would be an unusual course to follow, but when one considers the importance of this visit which celebrates the one hundredth anniversary of the beginning of the meetings which led to confederation I am sure this gesture on her part would be gratefully appreciated by her loyal Canadian subjects.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the details of the program will be made public within a day or two. The details of the Prince Edward Island and Quebec program have, I believe, already been made public, and one reason for the delay in completing the details of the other part of her visit is to give consideration to the suggestion made by my right hon. friend for the Queen to address parliament during the one day she is in Ottawa.

This may not be possible, Mr. Speaker, though I will reserve the final announcement on the matter until next week; but I can assure my right hon. friend and members of the house that in any event arrangements will be made for the Queen to meet members of parliament while in Ottawa.

Mr. W. B. Nesbitt (Oxford): I have a supplementary question to ask the right hon. Prime Minister, Mr. Speaker. Has the letter which appeared in yesterday's edition of the London *Times* written by Mr. Campbell Stewart, a well known Canadian, been drawn to the Prime Minister's attention, in which Mr. Stewart suggests that Her Majesty's visit should be cancelled in view of the general atmosphere; and would the Prime Minister care to make a comment in respect of this communication?

Mr. Pearson: No, Mr. Speaker, I have no comment to make on the letter which I have not seen, though I have read a report on it in the newspapers.

[*Later:*]

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Prime Minister. The Prime Minister stated that when Her Majesty the Queen is in Ottawa members will be given an opportunity to meet her. To look our best and not so tired out, would the Prime Minister not consider a two weeks' holiday before this event takes place?

Mr. Speaker: Orders of the day.

Mr. Rapp: Mr. Speaker, I think the Prime Minister had an answer and you did not give him a chance to make it.

Mr. Pearson: Yes, Mr. Speaker, I was going to say the question is of such urgent and immediate importance that I should give the most careful consideration to it before answering.

NATIONAL DEFENCE

LA MACAZA, QUE.—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, might I ask the Prime Minister whether he has yet made any decision regarding the request I made on Monday for an independent investigation into the charges of unnecessary brutality on the part of R.C.A.F. guards in dealing with peace demonstrators at La Macaza?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I have asked for a report on the whole matter, which is now on my desk. Having just returned to Ottawa I have not had an opportunity to read that report, but I have had an opportunity of discussing the matter with the minister of defence and I propose to talk to him about it again when I have studied the report. Then I will be in a position to announce whether any further steps should be taken.

Mr. Douglas: I have a supplementary question. I should like to ask the Prime Minister whether his attention has been drawn to press statements in which at least five or six of the persons who took part in that demonstration have given statements to the press which would indicate that in their opinions there was unnecessary harshness in dealing with these demonstrators? If these charges are true it would seem that some type of independent investigation is called for.

Mr. Pearson: I have not had a chance to see those press reports but I am sure they will be included, Mr. Speaker, in the documentation which I am going to study during the day. I assure my hon. friend that I am as anxious as he is to correct any mistreatment that may have occurred. I would deplore as much as he would any action of the kind charged, but I have to satisfy myself before taking any further steps that the charges are justified, and I propose to make a very strict examination of all the evidence on that point.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. In view of the minister's expressed belief in the efficacy of prayer with regard to weather, and his urging members to pray for rain recently, does the minister accept any responsibility for the heavy rains that prevented the Prime Minister from giving his prepared speech at the ceremony held in connection with the ratification of the Columbia river treaty?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I should like to point out to the hon. member that it was said at that ceremony that that was the same water we were selling to the United States.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I have a question for the right hon. Prime Minister.

Could he tell the house whether it is true that the premier of British Columbia, Mr. Bennett, has offered money to the federal government to make up the deficit for 1964?

[*Text*]

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I should like to direct a question to the Minister of Forestry. I am wondering whether the minister's attention has been drawn to a resolution adopted earlier this week by the maritime provinces boards of trade that an eastern feed grain agency be established by the government similar in concept to the Canadian wheat board, and will the minister give urgent attention to this forward looking resolution?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, my attention has not as yet been drawn to this resolution, but this problem is before the committee on agriculture and we expect a report some time before Christmas.

Inquiries of the Ministry

INDUSTRY

NUMBER OF INFORMATION OFFICERS TO BE ENGAGED BY DEPARTMENT

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct a question to the Minister of Industry. A week ago today the minister denied in an answer to a question I asked that his department would be hiring 35 information officers, and he agreed to make a statement on Monday. To the best of my knowledge he has not made this statement, and I am wondering whether he would care to make it now.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, during the course of the past week either the hon. member who asked this question or myself have been outside the house, and I am glad today to be able to take this occasion to correct a misunderstanding which appears to have arisen regarding the information staffs of the Department of Industry and the Department of Defence Production.

As I have indicated previously on a number of occasions, the Department of Industry looks to the Department of Defence Production for the provision of the majority of its supporting services. This includes the information service which relates to the preparation of pamphlets, the editing of reports and the dissemination of booklets prepared within the Department of Industry. The information division of the Department of Defence Production serves both departments, industry and defence production.

At the present time the information division of the Department of Defence Production, serving both departments, has eight information officers, three technical administrative staff and five clerical and typing employees. Four more information officers have been appointed and will report for duty shortly. There are, however, no plans to augment the present staff further in the next few months. We will only add to staff as need becomes evident and, of course, within the approved establishment.

EXTERNAL AFFAIRS

NATO—CANADIAN POSITION RESPECTING MULTILATERAL FORCE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to address a question to the Prime Minister. In the light of the views expressed by a distinguished American visitor, Mr. Livingston Merchant, in favour of a multilateral nuclear force for NATO, would the Prime Minister reassure the house of the Canadian government's unchanged opposition to this plan, and on a suitable occasion make a statement on the government's position and its reasons for opposition so there will be an occasion for comment or debate in the house on this highly important matter?

[Mr. Sauvé.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the position of the government in this matter remains as set out by me in the house on June 7, 1963 when I said, as found on page 790 of *Hansard*:

> —I do not think that it will be likely that we would wish to add to our existing responsibilities and commitments by participating in this kind of multilateral nuclear force.

There has been no change in that position.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. Has the administration of the United States at any time in recent weeks pressed Canada to follow the suggestion made by Mr. Merchant in the gratuitous advice that he gave to Canada?

Mr. Pearson: No, Mr. Speaker, there has been no approach made to me, or to my knowledge to any member of the government. At the moment I can only speak for myself, but there has been no approach of any kind on this matter by the United States government.

Mr. Brewin: A supplementary question, Mr. Speaker. I wonder whether the Prime Minister does not think that in addition to stating merely that Canada does not want to add to its commitments, some statement as to why Canada does not think this would be a particularly useful addition to the forces of NATO might be made to the house and through the house to the public.

Mr. Pearson: I shall be glad to take this into consideration, Mr. Speaker. It might be a useful thing to do. I think it is also fair to point out that Mr. Merchant, who is not a member of the United States administration at the present time, was speaking as a private individual and to a non-official conference of the Atlantic treaty association.

DOMINION-PROVINCIAL RELATIONS

CONTINUATION OF PRESENT PROVISIONS RESPECTING SHARED PROGRAMS

On the orders of the day:

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, while I am on my feet may I deal with a question raised by the hon. member for Burnaby-Coquitlam when he asked me last week and again this week, I believe, to clarify the contracting out arrangements as they will apply during the interim period to programs of a primarily social character such as hospital insurance, old age pensions, blind persons allowances, disabled persons allowances and so on. I should like to confirm what I said last week in a tentative answer, that the present provisions of these joint programs will be maintained in all respects throughout the duration of the interim arrangement.

The hon. member also asked what amounts of money were involved in these major programs. Only the province of Quebec has so far indicated that it wishes to enter into contracting out arrangements. On the basis of the estimated federal contributions for the current fiscal year, the amount of money that would be transferred to finance the programs listed in category B in my letter of August 15 will be some $209 million in the case of Quebec. I do not know as yet what position the other provinces will take in this matter.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question to the one answered by the Prime Minister in respect of the opting out provisions, I am sure hon. members will be pleased to have the Prime Minister's assurance with reference to the maintenance of reciprocity and uniformity up to the end of the present agreement. Does transfer of payments also apply only to the term of the present agreement?

Mr. Pearson: Yes, I believe so. I would like to check, Mr. Speaker, and make sure that is the right answer.

AIR TRANSPORT

SIGHT REQUIREMENTS FOR PRIVATE PILOT'S LICENCE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, yesterday I posed a question for the Minister of National Health and Welfare, and I wonder if she has a reply ready today.

Inquiries of the Ministry

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, my hon. friend asked a question with respect to the licensing of private airplane pilots who possess monocular vision. I am advised by my department that the physical standards for civil pilots are set up by the Department of Transport and that these follow closely the international civil aviation organization standards and recommended practices for personnel licensing.

In these standards pilots are required to have vision in both eyes. However, there are some applicants who have vision in only one eye, as a result of which we are asking advice from the defence research board panel on visual problems, which I understand has such an item on the agenda for its meeting in Toronto on November 7. We understand the defence research board is working in close co-operation with the R.C.A.F. institute of aviation medicine.

CANADIAN CITIZENSHIP

SUBSTITUTION OF AFFIRMATION AS ALTERNATIVE IN OATH OF ALLEGIANCE

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I would like to direct a question to the Minister of Justice. In view of the fact that prospective Canadian citizens are required to swear an oath of allegiance involving the Bible and the phrase "so help me God", and in view of the fact that the Department of Citizenship and Immigration has requested the Department of Justice to consider affirmation as an alternative to swearing the oath, will the minister indicate when he expects to render a decision on this matter?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am not in a position to say right now when I will be able to make a decision on the matter, but I shall be giving my attention to it so that it may be disposed of as soon as possible.

CANADIAN BROADCASTING CORPORATION

ALLOCATION OF FREE TIME TO POLITICAL PARTIES

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. member for Medicine Hat on September 10, as recorded at page 7828 of *Hansard*, asked the Secretary of State about the

allocation of free political broadcasting time on two C.B.C. series of programs "The Nation's Business" and "Les Affaires de l'Etat." I have inquired of the C.B.C. on behalf of the Secretary of State, and I have been informed that a new series of 20 programs under each of these two titles, on both radio and television, will begin in October 1964 and conclude in August 1965.

The number of periods allocated to each party was determined at a meeting among the representatives of the five political parties and the C.B.C. on August 26, 1964. When the parties failed to reach unanimous agreement among themselves on the division of time, the C.B.C. proposed a division that was acceptable to four of the five parties represented, as follows: Liberals, 7½; Progressive Conservatives, 6½; New Democratic party, 3; Social Credit, 1½; and Le Ralliement Creditistes, 1½. It is on this basis that the current series for the 1964-65 season will proceed.

As I believe the hon. member knows, this is the same division of time which applied to the last series of free time broadcasts on the C.B.C. radio and television networks, and which was confirmed by the board of broadcast governors following a hearing on January 13, 1964, which was called to hear an appeal by the Social Credit party.

The formula used by the C.B.C. is that set out in section III, parts I (b) and (c) of the C.B.C. manual of policies and regulations on "Political and Controversial Broadcasting." Mr. Speaker, I can table a copy of this manual on political and contraversial broadcasting if the house wishes that this be done.

Mr. H. A. Olson (Medicine Hat): As a supplementary question, did the parliamentary secretary ascertain that the allocation the C.B.C. has now come up with is in keeping and in compliance with the formula he is going to table?

Mr. Stewart: Mr. Speaker, my understanding is that this is accurate.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question either to the parliamentary secretary or to the Prime Minister, can we be informed whether the half hours of last Sunday and Monday enjoyed by two of the party leaders are part of this allocation, or are they in addition thereto?

Mr. Stewart: Mr. Speaker, I shall ascertain what the view of the C.B.C. is in relation to those particular broadcasts.

[Mr. Stewart.]

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Since the 60 days have now expired during which applications were to be received in connection with the disposal of the Kitsilano property, I should like to direct a question to the Minister of Industry and ask him whether any proposal has been received from the city of Vancouver.

Hon. C. M. Drury (Minister of Industry): The mayor of Vancouver has sent a telegram indicating that the city has a proposal for the setting aside of a downtown site for the Canadian Broadcasting Corporation in Vancouver to be put together, I understand, under the urban renewal scheme. He has asked the Prime Minister whether it would be possible for representatives of the city council to come to Ottawa to discuss details of this particular scheme. A reply has been sent to the mayor of Vancouver inviting him down at the earliest possible moment.

CROWN ASSETS

ST. HYACINTHE, QUE.—DISPOSITION OF FEDERAL BUILDINGS

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to put a question to the Minister of Industry and Minister of Defence Production.

Could he tell us whether the representatives of Crown Assets Disposal Corporation and the municipal council of St. Hyacinthe have reached an agreement on the purchase of the federal buildings which have become surplus in that city?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have no knowledge of that particular case, but I will have an investigation carried out.

[*Text*]

CANADIAN COASTGUARD

REVISION OF REGULATIONS RESPECTING AID TO FISHERMEN

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I would like to direct a question to the Minister of Transport but in his absence I shall direct it to the Prime Minister.

In view of the fact that we are rapidly approaching the hurricane season on Canada's east coast, which increases the hazards for all maritime fishermen, will the Prime Minister inform the house whether immediate consideration is being given to changing the regulations governing the duties of our Canadian coastguard, so that our Canadian fishermen can expect to be towed to the nearest port by the coastguard if they become disabled on the high seas?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall be glad to look into that matter and discuss it with the Minister of Transport, whom I shall be seeing tomorrow.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources.

Can he inform the house whether the negotiations respecting the Eskimos are still going on between the federal government and the province of Quebec?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, there have been no recent negotiations or contacts made, either by myself or by my officials.

INDIAN AFFAIRS

WINNIPEG—INVESTIGATION OF FOSTER HOMES FOR CHILDREN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I address a question to the Minister of National Health and Welfare. Is the minister aware of a report in Wednesday's Winnipeg *Free Press,* arising out of the alleged beating of an Indian child, in which it is said that the zone superintendent of the Indian northern health service in Winnipeg declared that homes are not investigated before Indian children are placed in them because there is no authority for such investigation. Will the minister have this looked into, and see if such investigations cannot in fact be made?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I was most distressed and surprised to hear of the report, and I have already asked my department for a full report on why an investigation did not take place.

HOUSING

VANCOUVER—POSSIBLE EVICTIONS FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources in both his capacities as minister and member for his constituency. In view of the fact that the 15th of this month was the deadline for purchase or acceptance of higher rentals in the Fraserview veterans housing project, can he tell us whether non-acceptance means eviction, and whether such orders are now going through?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): This, of course, is a matter concerning Central Mortgage and Housing Corporation, which does not come under my jurisdiction. I have read the statement made by the leader of the group who says they have no intention of paying the increase. This concerns a small number of people within the area—120 or so, I think—but I would not care to predict at this time what action C.M.H.C. may take in the circumstances.

Mr. Winch: A supplementary question. May I ask the acting postmaster general or the parliamentary secretary, in view of the fact that this minister has some responsibility for C.M.H.C., whether any orders have gone out for the eviction of veterans who had not signed agreements by the 15th of this month.

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, as the Postmaster General is not here today, I will consider the question of the hon. member as notice, in order that an answer be given to him early next week.

[*Text*]

NATIONAL CAPITAL COMMISSION

OTTAWA—POLICY RESPECTING REAL ESTATE TRANSFER FEES

On the orders of the day:

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, while I have the floor, may I answer a question put to me by the hon. member for Pontiac-Témiscamingue (Mr. Martineau)?

Inquiries of the Ministry

A few days ago the hon. member asked me whether the national capital commission had changed its policy in connection with the transfer of buildings to the city of Ottawa.

There is no change of policy. The only change to take place recently concerns fees for easements.

It is true that recently the city of Ottawa was billed for $100 because from now on a $25 minimum is required.

However, there may be additional amounts added to this minimum because of technical surveys, legal research, travel and other administrative costs.

[*Text*]

FINANCE

REMOVAL OF TAX ON MACHINERY OF PRODUCTION

On the orders of the day:

Mr. Fred F. Stenson (Peterborough): I wish to direct a question to the Minister of Industry. I know the concern the hon. gentleman has for the promotion of industry in this country, and I should like to ask him this. Now that we know that in the United States, the United Kingdom and Japan no tax is imposed on production machinery, will he approach the Minister of Finance in an effort to have this tax withdrawn so that Canadian companies may be competitive?

Hon. C. M. Drury (Minister of Industry): I would be glad to discuss the desirability of that suggestion with my colleague the Minister of Finance. I would, however, point out to the hon. member for Peterborough the remarkable success in expanding the manufacturing industry which has been experienced in the past year.

HOUSE OF COMMONS

DISPOSITION OF OFFICE FURNITURE OF FIRST WOMAN MEMBER

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): I desire to direct a question to the Minister of Public Works, most sentimental in nature and affecting the members of this house, I think. It was some months ago that the Minister of Public Works did me the courtesy of placing in storage the original furniture of the first woman to sit in the House of Commons, namely Miss Agnes MacPhail. It was my understanding that everything was moving satisfactorily until the member who presently represents that riding stuck his oar in; and I should like to know, as a result of the confusion he confounded, whether the Minister of Public Works can now tell us what has been the disposition of the furniture of the first woman to sit in this House of Commons.

Hon. J. P. Deschatelets (Minister of Public Works): The last time I heard of this was a month or two ago, but I think the leader of the New Democratic party will remember that I contacted him and told him that because of the sentimental value attached to this furniture we were ready to dispose of it, and we were charging him to see that it was disposed of in the best interests of those concerned.

Mr. Winch: Will the minister tell us to whom he said that?

Mr. Douglas: To me.

Some hon. Members: Oh, oh.

Mr. Deschatelets: I might say that the first request was received from the hon. member who has brought up the matter today.

A little later we had another request from another hon. gentleman, and I thought in the circumstances the best thing to do was to dispose of the matter through the leader of the New Democratic party. At that time, if I remember correctly, the hon. member for Vancouver East was not here; otherwise I would surely have told him about it. I intend to inquire on Monday about this matter, because I thought it had been disposed of and that everybody was satisfied. I see today that this is not the case, so I will have a second look at it.

Mr. Eric A. Winkler (Grey-Bruce): I wish to direct a supplementary question to the Minister of Public Works, and ask him whether my request to him was not almost identical to that of the hon. member who raised this question, inasmuch as my request was that these particular items should be given to the museum in the county of Grey, in which my predecessor lived, for the purpose of preserving them for posterity. I did not in any way confuse the issue. If it was confused, it was confused by one or both of the other two hon. gentlemen who dealt with this matter.

Mr. Winch: If the hon. member had not stuck in his oar the museum would have had this furniture two months ago.

Mr. Deschatelets: I have to agree that both requests were made with the same objective in mind.

Mr. Winkler: Would the minister say, then, that the last statement by the hon. member for Vancouver East is entirely false?

Mr. Deschatelets: I will let the hon. member deal directly with the hon. member for Vancouver East.

SUPPLY

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

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

National parks—

15. Administration, operation and maintenance including wildlife resources conservation and development, administration of the Migratory Birds Convention Act and payments to land owners who maintain migratory bird habitat in accordance with agreements entered into on terms and conditions approved by the governor in council, payment to the national battlefields commission for the purposes and subject to the provisions of an act respecting the national battlefields at Quebec and grants as detailed in the estimates, $11,485,600.

Mr. Lambert: Mr. Chairman, I would like to ask the minister how far his department has progressed with the development of service centres in the Banff national park and other national parks adjacent to the trans-Canada highway. We know this program is being developed, and I think we can expect from the minister a progress report in this regard. In addition I would ask the minister what are the future plans for general access to Jasper national park and the provision of service centres in regard to it. As traffic develops, what provision has the government made for these service centres?

I would also ask the minister whether he can give us a forecast of developments with regard to connections with the Jasper-Banff highway, the Columbia icefields highway, from the east as an extension of the connections from central Alberta, from Red Deer and Rocky Mountain House. This is of particular interest to us in northern Alberta, because I suggest to the minister that many more people would visit the splendid facilities of Jasper national park and those adjacent areas that are so attractive to Canadian tourists—not necessarily only to foreign tourists—if we could establish a shorter circuit. Very many people have told me they would go to the mountain parks much more frequently if the round trip, Jasper, Lake Louise, Banff, around to Calgary, were not so long. It is too much for even the long week end. Therefore it would be so attractive if some central connection were provided. In the light of the minister's answers in this regard, Mr. Chairman, perhaps I may ask some more questions.

Mr. Mandziuk: Mr. Chairman, I do not intend to take up too much time of the committee, but I wish to bring to the attention of the committee a matter to which I referred in debate on May 10, 1961, when the estimates of this department were taken up. My particular reference is to historic sites and to Fort Ellice in my constituency. Some 133 years ago a fort was built on the banks of the Assiniboine just five miles down from the junction with the Qu'Appelle river, and this fort served for 50 years as a stop-off between Winnipeg and Edmonton. Red River carts coming in for furs travelled from Winnipeg to Edmonton. It was a stop-off place; it was on a waterway between Winnipeg and Fort Ellice. It also served as an Indian trading post. Perhaps I may briefly mention that it had a trading post, a carpenter's shop, men's quarters, belfry, cottage, blacksmith's shop, chief factor's house, dairy, storehouses, warehouse and flagstaff. It was fully equipped to serve the area before it was opened to settlers from eastern Canada or Europe.

This site, which I consider to be an historic site, has been considered a number of times by the historic sites and monuments board of Canada. In 1936 the board considered it and for some reason or other decided to do nothing about it. In 1958 Monsignor A. d'Eschambault was instructed by the board "to study the situation especially in connection with the role played by Fort Ellice in supplying pemmican for the fur trade economy". I believe the board received a report in this connection. In 1960 the board considered Fort Ellice among ten other sites, and placed it in ninth position.

This is either an historic site or it is not. Placing Fort Ellice even in ninth place is an admission that it is an historic site, and nothing at all has been done about it in so far as the historic sites and monuments board is concerned.

However, Mr. Chairman, the people of that area have tried to do something to preserve their past. This fort is only a mile or so from the village of St. Lazare, which is settled by good Canadians of French ancestry. In 1930 St. Lazare and the municipality of Ellice erected a cairn just off the traces that are left of the stockade, and have developed a picnic ground thereon. I ask the minister to find another community in Canada that has on its own tried to preserve what we

consider to be an historic site, and which the board has admitted to be an historic site by putting it in ninth place.

Just this year Fowillard Brothers, a firm of businessmen, of St. Lazare decided on their own to rebuild this fort at their own expense. I hope the minister is paying attention, Mr. Chairman. The material for the stockade is there. They intend to rebuild the warehouse and convert it into a museum. They have some 60 or 70 museum pieces already gathered in and around St. Lazare to put into this building.

These people are doing this on their own. As a matter of fact the property on which this fort is situated is registered in the name of Fowillard Brothers. However, they would be prepared to turn it over to the nation, and they are doing this rebuilding on their own without having received a broken nickel from this board which decided to place it ninth on the list. Perhaps the board is waiting until all traces of this fort have disappeared, but the local population is not going to let that happen.

I have visited the site. The area where the stockade was is still visible, as is the foundation of the big chimney and the stone foundations of various buildings that were on the site. I refer to the buildings I have already mentioned. There is a badly neglected cemetery there, one portion being where the Indian dead were buried and a portion where the whites were buried.

The minister's department finances the historic sites and monuments board of Canada, and according to vote 15 some $840,000 has been allotted for this purpose. When we come to vote 15 I should like the minister to tell us to which historic sites this money is allotted, and whether we can expect some consideration in this regard if for no other reason than the fact that the local people and businessmen are anxious to preserve this site for posterity. This site in west central Manitoba is just as important, I feel, as any other historic site in Canada.

With these few remarks I would close by saying I hope the minister will give this matter some consideration, if not in the 1964-65 estimates then at some future time. I have old pictures of the fort which I could show the minister. I could show him the remains of what is left. If the minister were to see those sunken graves he would find just pieces of boards marking the spots. He would not even be able to read the names of the dead buried there. Instead of continuing to neglect and ignore our past and to spend money on other parts of Canada, I contend that Fort Ellice, which played such an important part in the fur trade of central Manitoba, deserves careful consideration by the minister.

[Mr. Mandziuk.]

Mr. Winkler: Mr. Chairman, it is not my intention to delay the deliberations of the committee. I have informed the minister that I do wish to draw a certain matter to his attention, but first and foremost may I say that I think the brief exchange which took place this morning during the question period is quite relevant to this particular item.

I regret that the exchange regarding my predecessor, Miss Agnes MacPhail, took place because we all know the contribution she made on behalf of the women in Canada so far as parliament is concerned. I am sure we are all aware of the era which she opened up for representation in this house of the fair sex. We in the constituency of Grey-Bruce are proud in that she made such a valuable contribution here and such a deep impression on the country and, generally speaking, on many other countries of the world.

The hon. member for Vancouver East implied that somehow or other I had confounded the issue when in fact my efforts were directed only to assisting that which he himself thought was necessary. Granted he fell upon the situation as it existed, and if there is some kudos here I am perfectly willing to allow him to have every bit of it. On the other hand, inasmuch as he might not have known at that time that there was a county museum in the city of Owen Sound, I felt that this would be the proper place for these items of furniture to be preserved for prosterity in honour of the lady referred to, and I make no apologies at all for that which I did, which was merely to assist and to see that these items were placed in the proper hands.

Mr. Winch: Would the hon. member permit a question. I do not want to get into any fight about this, but did he not receive the information that in the weeks which followed the steps to preserve this furniture which belonged to Agnes MacPhail, the first woman member of the House of Commons, an arrangement was made between, shall I say, the Liberal party and the council that it should be handed over for the purpose of being placed in the museum? That was the understanding, and if I had the opportunity I could bring down from my office all the files on this matter which would show that

the decision that the furniture should go to the museum had been absolutely agreed upon.

However, after that agreement had been reached something happened, and that something was you yourself, sir, coming into the picture. Did you not know that agreement had been reached?

Mr. Winkler: As I said in the course of the question period, that is entirely false. I wrote one letter to the minister which would support the views which have now been expressed. As far as I am concerned I saw nothing of an arrangement. However, I did discover that it was the hon. member himself who first noticed the fact that this furniture might be disposed of, and I am sure on investigation he would find that my letter in support of his action was written long before a determination was made by the government and any other interested parties.

If that does not satisfy him he must then investigate further, and I am sure he will find that what I am saying is the truth and that he was endeavouring to make something wrong out of the effort which I have put in. If that transpires to be the case then I think a successful conclusion will have been reached, and I extend nothing but my thanks to the hon. member and the ministry for having worked it out in this way. I do not wish to enter the question from the point of view of arguing it; if somebody else is using it for other purposes, then that is fine by me.

Mr. Winch: Would the hon. member permit one further question. There is no use carrying on this debate, so will he and I agree, kudos or no kudos, that this furniture goes to the museum?

Mr. Winkler: That is absolutely agreed upon, and all I want to say is that I did not raise the question.

To proceed with my further point on these estimates, the matter I want to raise I have brought up on numerous occasions previously. At the outset may I say that in this matter I have the concurrence of the hon. member from the constituency of Bruce. It concerns the establishment of a national park in the province of Ontario in the area known as the Bruce peninsula. The reasons for the establishment of a park there are well known, as I have laid them out in detail prior to this occasion. The minister is well aware of the representations I have made. The question has been discussed with him in detail as well as several reports which were produced; and if he mentions this matter in his reply I would ask him not to allude to them because of the nature of the reports.

I mention this so the committee and the people of that area will know that with a considerable amount of effort I did at one time bring the government of Ontario and the government here at Ottawa together to consider this matter, and it was under serious consideration at the time of the 1963 election. It took me some time to bring these two levels of government together at that time, but roadblocks did exist to stay this proposition.

I would ask the minister to give us some information in this regard as soon as possible. I do not suggest that he do so within 60 days, but I certainly hope that in the course of this year, or perhaps early next year during the preparation of further estimates, in the interests of those facilities that should be maintained in national parks for the service of the metropolitan areas in southern Ontario which have easy access, and considering the number of tourists from both Canada and the United States who visit these areas each year, some even by boat, he would consider it most desirable to expedite the establishment of a national park in this area.

Mr. Olson: Mr. Chairman, very briefly I should like to draw to the attention of the minister some of the representations that have been made over the years in reference to the attitude of the province of Alberta toward some of the national park areas in that province. First, several months ago the minister answered a question I asked on orders of the day and said he was going to bring forward a new statement of policy respecting the development particularly of tourist accommodation within the national parks. If I have missed having this policy drawn to my attention I am sorry, but so far I have not heard of it, I think there is some confusion, particularly in Banff national park and Jasper national park, regarding what will be allowed and what will not be allowed, and how much discretion certain officers of the department have in making decisions as to what is in fact going to be acceptable and what is not acceptable in this field of tourist accommodation development. I hope that policy will be announced fairly soon in order to clear the air in respect of this situation.

The other subject I should like to discuss, Mr. Chairman, is the application the province of Alberta has made to the Department of Northern Affairs and National Resources

respecting Wood Buffalo park in northern Alberta. That park may not be well known, but the provincial legislature passed a resolution, I think unanimously, during its last session requesting the federal government to turn back this land area to provincial jurisdiction.

There are many good reasons for this, probably the most important of which is that the province of Alberta wants to proceed with some development of the natural resources existing within this very large park area. We must also take into consideration the fact that this area is at the extreme northern edge of Alberta, with a part of it extending into the Northwest Territories. It lies in an area that will never, or at least in the foreseeable future, attract large numbers of tourists because at the present time there is no road into this park of the kind tourists will travel. It lies in an area of Canada where the summer season is short. Circumstances are such that I feel safe in saying that for a long time this area will not be suitable for any kind of development which might attract great numbers of tourists.

I should like to point out that there are some very important and valuable deposits of minerals in this area that could be developed very profitably for the province of Alberta. I might say I appreciate the attitude of the department of northern affairs in its belief that the people of Canada want more rather than fewer national parks, and I agree with that feeling. It is so obvious that more and more people are travelling around the country making good use of national park facilities, particularly for camping and holidaying, that it hardly needs to be mentioned; but I do think that in pursuing this policy which, as I have said, is certainly desirable as far as I am concerned, the department ought to be directing its efforts toward developing more national parks in areas which lend themselves to the prospect of attracting tourists.

At the present time any potential development reasonably close to the trans-Canada highway ought to be given prior consideration, and I suggest to the minister that his department give some consideration to taking over what is known as the dinosaur park in southern Alberta. While I am not authorized to speak on behalf of the province or the government of Alberta in suggesting that the province might be willing to transfer this park area to the national parks board, I think perhaps the province of Alberta would be willing to consider exchanging this area for the Wood Buffalo park in northern Alberta.

There are some unique features about this dinosaur park area which would make it far more suitable as a national park than as a provincial park. It is the only area that has been set aside anywhere in Canada with this kind of historical significance so far as fossils are concerned, and it has attracted the international attention of those people who are interested in the vertebrae remains of dinosaurs several million years old. There certainly is a great potential tourist attraction in this area, and it seems desirable that it be administered and developed by the national parks board. Perhaps I should also mention that this area is located only about 20 miles from the trans-Canada highway, so there is certainly no difficulty in respect of building access roads for the massive flow of tourists travelling across this country every summer.

Mr. Chairman, that is all I want to say at this time in an attempt to make known to the minister and Canadians generally that the province of Alberta does take the attitude that Wood Buffalo park should be turned back to the province, because it will not be developed for a number of years, and that there are other places in Alberta that the minister ought to consider in so far as developing additional park lands which Canadians generally seem to want.

Mr. Bigg: Mr. Chairman, I am pleased to know that other members of this house are interested in Wood Buffalo park. The greater portion of this enormous land area, approximately 14,500 square miles, is situated in my own constituency of Athabasca. There has not been much publicity given to this park over the years, I suppose for the perfectly good reason that it is not and never will be a playground in the sense that Banff and Jasper parks are. However, this park is the home of a very large herd of plains buffalo which were put up there some years ago as a result of the farsightedness of some members of the federal government. These buffalo have flourished in this area, and it is a pity that they are so far off the beaten track they are practically unseen.

At this point I should like to direct the minister's attention to the fact that Elk Island park, just east of Edmonton, is also the home of a herd of buffalo, but does not receive the publicity it deserves. I suggest that more money be spent in advertising our buffalo herds, especially in Elk Island park. This area is in the constituency of the hon.

member for Edmonton East, and he asked me to bring this matter to the attention of the minister in order to speed up the passage of his estimates.

As early as 1958 I took it upon myself to look into the question of returning Wood Buffalo park to the province of Alberta. I am delighted to hear, though in a roundabout way from the hon. member for Medicine Hat, that the province of Alberta are taking a new look at their attitude with regard to co-operation in this matter, because in all the overtures I made in contacts with officials of the province on several occasions their attitude has always been all or nothing at all. They want the whole of Wood Buffalo park that lies within the province of Alberta turned back to the province without any consideration for the interests of the federal government in preserving Wood Buffalo park as a national playground and as a home for wildlife.

As hon. members probably know, the only flock of whooping cranes in the world nests every summer in Wood Buffalo park. Those who like to use wildlife as a complete argument in favour of the federal government retaining the whole of Wood Buffalo park will say that 14,500 square miles are needed for some 30 whooping cranes to nest. This, of course, is patently ridiculous. We do not even need that much land to pasture the two magnificent herds of buffalo. At the same time I think some of this area should be retained particularly for the wild woods buffalo, but it would be quite possible to turn back the major portion of Wood Buffalo park to the province.

There are vast mineral resources in this area. At the present time no commercialization whatsoever is allowed under the National Parks Act. I am inclined to agree with this as a general principle for our national parks; but if the size of Wood Buffalo park were decreased, which I think is sensible, we would not have to change the National Parks Act. It would then be possible to make an assessment of the mineral and other resources, once a large portion of the area was turned back to the province.

However, I want to say again that before the federal government can act in this matter I think it must have a very firm commitment from the province indicating that the provincial officials are at least willing to meet the federal government half way, so that a long view can be taken of the whole national parks problem for the purpose of arriving at some sensible adjustment. This can only be done, of course, by open and friendly discussion. The closed door attitude which I encountered in this regard over a period of five years achieved absolutely nothing. The former administration finally did get the door open by offering the provincial government a sizeable portion of Wood Buffalo park as a basis for entering into further discussions. However, the election unfortunately interfered with this matter, and I am not sure what the present situation is with regard to taking a new look at our national parks.

I think a great deal more can be done with respect to setting up national parks farther south. In my view the province should co-operate in some kind of land trade. It need not necessarily be acre for acre; in fact a much smaller area might be provided as a new home for the buffalo, perhaps in the Cypress hills or at Wainwright or at Red Deer. Instead of going up a blind alley by talking about whooping cranes, this might be a very fair exchange from the recreational point of view for people who would want to go to such a place for their summer holidays.

I think I would be remiss if I did not pay tribute to Mr. Olsen, the superintendent of Wood Buffalo park, for his magnificent work in caring for both the plains buffalo and the wild woods buffalo which inhabit that region. In the last few years there has been some difficulty because of the ravages of anthrax, which could presumably destroy the whole of the buffalo herd if it were not kept under control. Mr. Olsen and his staff, with the co-operation of the health of animals branch, have been able to keep the disease under control. At the present time they are faced with the rather large and difficult task of inoculating these wild animals. I am quite sure that any expense to which we may be put to preserve these last two significant herds of buffalo will be well worth while, inasmuch as people for generations to come will be able to enjoy seeing these herds.

With regard to the question of accessibility to parks, I should like to urge the minister to use his influence with the other members of the government to make sure that when trans-Canada highway No. 2 is built, as it will be, it will go far enough north to link our magnificent northern parks all across Canada. I suggest that this might be pressed now as one of our national centennial projects. I should like to see trans-Canada highway No. 2 or confederation highway, as I prefer to call it, well on its way, if not completed, by 1967.

I suggest it should link Riding Mountain national park in Manitoba, Prince Albert national park in Saskatchewan and a new park in the Cold Lake area where there is a magnificent lake which is the equal of any other in Canada. I suggest that the highway should then bypass Edmonton to the north, proceed to Jasper park and perhaps fork somewhere in the Whitecourt area with one fork leading to the Alaska highway.

One difficulty that is encountered in setting up national parks in Canada is the temperature of the water in the lakes. With natural gas so readily available in northern Alberta it seems to me it would be a very easy thing to develop large outdoor swimming pools, heat them by natural gas jets and perhaps raise the temperature of the water by 20 degrees. The people who live on the prairies and visitors would then be able to take advantage of these beautiful northern parks for purposes of family swimming at temperatures which are not too cold.

I do not wish to delay the passage of the minister's estimates any longer. I hope he and his department can get together with the provincial authorities of Alberta and take a new look at the readjustment of the size of the parks and the permitting of commercial development. I think also some attention should be given to the creation of new parks farther south in order that we may have a complete chain of national parks serving our people.

Mr. Macquarrie: Mr. Chairman, I wish to say just a few words, not about Wood Buffalo park but with regard to one of the most popular parks in the country, Prince Edward Island national park, about which I have not noted a great deal in earlier statements emanating from the minister. I have been most impressed with the growth of this park and its use during the tenure of office of the minister's three predecessors. Tourism is the most rapidly expanding and most expandable industry in the province of Prince Edward Island, and the federal government is able to contribute mightily through its parks policy.

There are developments of late which have caused me some concern. The Prince Edward Island park is largely a beach park and is recreational because of the bathing facilities it provides and its very fine golf course. It used to have a program which drew appreciative comment from hundreds of thousands of visitors, and I have been alarmed to discover that this program has been abandoned under the present government. It was a recreational program, and for many years we had a fine recreational director there.

I have now found that the recreational hall is locked up, and on August 7 I wrote a letter to the minister to which I received no reply. This discourtesy to myself I do not mind, but I must protest on behalf of the people concerned. It is extremely important that the recreation program be not abandoned, but that it be developed. More and more tourists are coming to P.E.I. every year. Local tourist operators are providing more facilities, and there is never any trouble about accommodating visitors. But it behooves the park authorities to provide the best possible recreational program.

I would hope that some imaginative leadership might produce a little more development in the Rustico section of the park. It is an historic village, very old, and one of the unique fishing centres in the maritime provinces. I am also interested in what is happening in the Fort Amherst historic park, which was set up just a few years ago. Fort Amherst reflects not only the English regime but also the French regime, and I find it difficult to see significant or tangible marks of development in recent months. I would hope no opportunity will be missed to develop this park.

Another problem which I have discussed with the minister's predecessors is the enlargement of the present park by giving it greater width or breadth, whichever word is preferable. It is a long strip taking in a great deal of beach, but for many purposes greater depth is required. I believe the P.E.I. government was prepared to turn over land to the dominion government and the department in order to increase the width of the park and provide for greater development, but it is my understanding that this has not been accepted and I would like to know why.

I am also extremely anxious to know something about the second national park promised by the government some months ago, and I would like to know particularly where it is going to be established. Because I want to see the present session end some day before we begin another one, I shall terminate my remarks but certainly not my interest in this subject.

Mr. Barnett: Mr. Chairman, I would like to enter a plea with the minister of northern affairs on behalf of the Minister of Public Works, and in the interests of cabinet solidarity I at once declare that my plea is

entirely gratuitous and not based on any behind scenes arrangement with the minister. My plea is that the minister do something to rescue the Minister of Public Works from the dilemma in which the national parks administration has placed him in respect to the operations of the trans-Canada highway.

This highway runs through several major national parks in the west, and under existing arrangements the national parks administration levies a toll on vehicles entering national parks. This has forced the Minister of Public Works to depart from the concept of a national toll-free highway from coast to coast.

I myself have travelled this highway from Alberta across into B.C., and on the basis of an informal calculation I believe it is the most expensive piece of toll highway in the world, particularly that section in the eastern part of B.C. and the area adjacent to Banff national park. Toll costs amount to roughly $1 per hour of driving time. I have travelled on turnpike roads in the United States, and I know it is possible to travel on them for a whole day at modern highway speeds for less money than that.

I made reference to this matter when the estimates of the Department of Public Works were discussed last year, but inasmuch as the basic decision apparently lies within the jurisdiction of the minister of northern affairs I suggest to him that it is a matter which requires rectification in the interests of the comfort of his colleague, if for no other reason. As a matter of fact I made reference to this problem when speaking to the courteous young woman on duty at the park gates. I asked her why we had to pay a toll on the trans-Canada highway. She replied in a most adept manner and I pressed with a second question, whereupon she said "Why don't you take it up with the Prime Minister?" I was sorely tempted to identify myself as a member of parliament but I decided not to, and merely said that perhaps I would do just that.

This may not appear to be a weighty or serious matter. The levy is $2 per year, which entitles one to travel through any of the national parks in the country. Nevertheless it is a matter which should receive immediate and serious attention in the interests of those of us who use the trans-Canada highway for the purpose of travelling across Canada and not for the purpose of visiting national parks.

The minister knows I come from a part of B.C. that has scenic aspects exceeding anything to be found in Banff or any of the other parks in that region. If we in the coastal areas of B.C. want to enjoy scenery we have no reason to travel to Banff.

Mr. Byrne: That is a matter of opinion.

Mr. Barnett: The hon. member for Kootenay East says that is a matter of opinion. I am not trying to decry the scenic beauties of the Kootenays, but before these estimates pass I hope the minister will give us some indication of what plans he has to deal with this question, and to return the trans-Canada highway to the purpose for which it was designed. This is a nuisance which is bound to increase as the volume of traffic using the trans-Canada highway grows, unless the tolls are removed.

Mr. Rapp: My remarks will be directed mainly to the subject of the Prince Albert national park. I should like to draw the attention of the minister to the fact that during the summer a number of university undergraduates apply for employment on the golf courses and in other places. I know that a number of my constituents, as well as students from other areas, sometimes have difficulty in getting these jobs. The Waskesiu golf course is a great attraction not only to the people of Saskatchewan and neighbouring provinces, but also to a large number of tourists from the United States who visit it for a week or two on their way to lac la Ronge, particularly in the fall, to fish for trout.

Sympathetic consideration should be given to applications from students who wish to work on this course and, in addition, every effort should be made to provide adequate accommodation for visitors. I have heard tourists say they found great difficulty in getting proper accommodation. As the minister no doubt knows, a year or two ago the golfing fees at the Waskesiu course were increased. Later, as a result of complaints from tourists, they were reduced to the amount originally charged.

Many people have applied for posts as park wardens. It seems to me the qualifications required for these jobs are very stiff, and perhaps consideration could be given to making these qualifications less difficult to achieve than in the past. My main point, though, is that undergraduates who wish to obtain work during their vacations should be given a chance to do so. It is sometimes difficult and expensive for students to apply for jobs in other provinces far away from their homes. I think these circumstances should be taken into consideration. I am told that at lac la Ronge itself everything possible is being done

to attract more tourists from the United States. This is obviously needed, because these people come thousands of miles and sometimes they find it difficult to obtain lodgings which offer them all the facilities they need to enjoy their holidays.

This is all I wish to say at the present time. I hope the minister will look into the questions I have raised. I would appreciate any action he can take in this regard.

Mr. Fane: May I take the opportunity to make a few brief comments and ask a few questions of the minister at this time. My remarks all concern Elk Island national park, which lies wholly within my constituency of Vegreville. I suppose I should thank my hon. friend from Athabasca for putting in a plug for this area, one which I had intended to make. He has helped me that much. I do agree that a park such as Elk Island should receive more publicity, as he suggested. May I suggest to the minister that if I am not in my place when he rises to reply to this discussion he should answer my questions and put the answers on the record in full, because as the result of another engagement I shall probably be out of the house when he replies to the points raised in the debate.

The heading of this item, item 15, is "national parks, historic sites and monuments—administration, operation and maintenance of parks". This is the only place where Elk Island national park is mentioned. The estimates contain an item of estimated expenditure amounting to $326,200 to cover all those things I have mentioned and I can assure you, Mr. Chairman, that considering all the expenditures which are needed in the parks this amount will have to be spread out pretty thinly. It would look as though Elk Island national park is again becoming the Cinderella park of Canada as it was in 1958, when I came here. After a great deal of hard work—and I certainly bothered all the ministers—this Cinderella park of Canada reached a stage a year ago where that title was no longer applicable. I should like the minister to give us a breakdown, an itemized statement showing what expenditures within that park are included in this sum of $326,200. As I have just said, it will have to be spread pretty thinly; there will not be very many extras this year.

Elk Island national park has been through several phases. It began as a park set aside solely for buffalo. As time went on it became a recreation centre, and because of the extent of wildlife there—buffalo, elk, moose and deer—and also because of the severe winters occurring from time to time, it became necessary to develop a farming phase so as to provide fodder to keep these animals alive throughout the winter. At one time the herd of buffalo in the park numbered between 1,200 and 1,500. I have no official information, but I have been told that excluding this year's calves the herd numbers fewer than 500 animals at the present time. I do not know how correct my information is, but assuming it is correct I think this is a very small number of buffalo to have in a park the size of Elk Island. The feed situation is always very good there, and I think that park should be able to pasture somewhere between 500 and 1,000 head all the time. I would like the minister to take note of this point, because I have been asked many times how many animals the government intends to keep there.

For quite some years there has been a project afoot in regard to building a museum in Elk Island park. This is something that I think should be continued. I worked very hard on this during the years when the party to which I belong formed the government, and I seemed to be getting somewhere. I just do not know where that item has been relegated to at the moment; sometimes it is rather difficult to find out.

However, Mr. Chairman, there is a small museum there. It is contained in a house of the original type that was built by the people from central Europe when they came to this country. It is very well preserved and well looked after, but it is very small and can house very few of the items that a museum should be able to house. In my opinion this project should be continued and carried to completion, because this area is very productive of museum pieces and there should be somewhere in which they could be housed. There would not be any trouble in getting somebody to look after a museum of that type.

There is also very great need for a large swimming pool close to the lake at Sandy beach. I know that a swimming pool is quite an extensive project, but we must have one because at times the water in the lake is not too good for swimming; there is a great deal of algae, leeches and things like that in the water, and it is just not satisfactory. Provision should be made for a large swimming pool there because most of the water that is available at the present time is not very satisfactory. Water could be provided through the purification system that was installed there in the last few years.

I have also been asked about a second golf course on the park. There is one nine hole course that I believe is very popular; it is supposed to be a very good course. I would not have the slightest idea what makes a good golf course, but many people who play there tell me it is very difficult to get a game on a holiday, Saturday or Sunday because the crowd which lines up to play is so large and is more than one nine hole course can handle. It has been suggested that another golf course of similar size be provide in order to give these facilities to a great many more people. I realize very well that extra things like that will certainly take away from the amount of land available on which to raise buffalo. However, Mr. Chairman, another nine hole golf course would not take up that much room and would not make very much difference. Again I would ask the minister to answer the questions I have raised when he deals with points which hon. members have put forward. I will not be in my seat when the minister replies, but I hope he will deal with these matters at that time.

Mr. Herridge: Mr. Chairman, I am not going to speak at length, but I wish to raise a few questions with respect to the administration of Mount Revelstoke park, at the request of a number of residents of Revelstoke including some well known members of the minister's own party. I raised these questions when the former minister was in office. I did get some information, but apparently a number of people consider there is justification for criticism of the administration of this park.

I might say that I do not know the superintendent and have never met him, but I have known the park area very well ever since I was a young man. The previous inquiries were directed to me by the residents of whom I spoke, and I put questions on the order paper. The residents were talking about the waste of public funds and so on, and I believe their contention was proven when as a result of questions that I asked I discovered that the superintendent's house cost $48,000. It has cost more since; repairs and alterations have been carried out on the house since that time. I would like the minister to inform the committee how many park superintendents' houses in Canada have cost $48,000 plus, and whether this is government policy in this respect; because it has been the cause of considerable criticism and I think justifiably so.

Then, Mr. Chairman, I want to know whether it is the custom in the parks for the employees to cut the wood for the park superintendent and put it in the woodshed. This was brought to my attention, and I asked questions about it. It was discovered that the wood was cut for the superintendent at the expense of the taxpayers of Canada. The feeling apparently was that this poor park superintendent could not afford to buy his own fuel or anything like that, poor chap; so they cut the wood and put it in the woodshed. On one occasion his wife did not like fir and made them take it all out and put birch in the shed. I would ask the minister, is it customary for the taxpayers of Canada to supply the fuel for a park superintendent who lives within a quarter of a mile of a city?

I know a good many employees in this park, and I have been informed that they were set to work helping a contractor build houses while their salary was being paid by the government of Canada. This was proven to be correct; the answer was that there was some *quid pro quo*, or something of that sort; the park labour was donated and then the contractor did a bit of work for the government of Canada. But no figures were given in this respect.

I want to ask whether it is the policy of the park, and I have been informed that they at the expense of the government of Canada with respect to the building of houses and other works in parks. I also want to know how much free labour the government of Canada is supposed to provide with respect to looking after the gardens and lawns of the officials of our parks. If they do not get salaries sufficient to pay for such things like any ordinary citizen, then it may be justified. I also want to ask about salaries. I want to know what is the salary of the superintendent, what are his academic qualifications for the post, and what previous posts he has held. Also, what was his experience prior to being appointed superintendent of the park? I just ask these questions of behalf of these ladies and gentlemen so they can be published in the Revelstoke *Review* with the minister's reply.

I now come to the administration of the park. In recent years some quite expensive log cabins have been built on top of mount Revelstoke, and I have been informed by someone who worked on them that they cost about $15,000 each. I am also informed that it is now the intention of the administration to tear down these log cabins, which have been very well built. I should like the minister to tell us what is the policy of the administration of the park with respect to these log cabins on top of mount Revelstoke, and to tell us, if they are to be torn down,

why they are being torn down and what was their purpose in the first place, this money having been spent on them. I should also like to know what was their actual cost, because I was informed that they cost about $15,000 each.

A new road is being built to the top of mount Revelstoke which I understand is being done by contract. I should like the minister to inform the committee who are the contractors and what is the total amount of the contract. I know a little about road construction, having been concerned in the building of a good many miles of highway a few years ago. Also what is the total yardage of earth, rock and shale, and so on, which is to be moved? I would also like the minister to inform the committee whether under present circumstances any of the employees who work in mount Revelstoke park render any assistance at any time to the contractors, their services being paid for by the government of Canada.

I expect the minister will not be able to completely answer these questions today, but I did promise to ask them. The point has now been reached where some people are watching the administration of the park almost daily with a microscopic eye, as are some of the well known members of the minister's party. However, I always bring up complaints whether they come from Liberals or Conservatives. While these particular complaints did not emanate from my own party, I did tell these ladies and gentlemen concerned that I would raise them at the first opportunity on the minister's estimates, and I shall look forward to some comprehensive replies. I am confident that it is not his idea that we should be so lavish in our expenditures on homes for superintendents, engineers and other officials of our parks. We want adequate accommodation, but we do not want luxury.

Mr. McIntosh: Mr. Chairman, I rise to refer to an application which has been before the national historic sites committee for a number of years concerning Fort Walsh in the southwestern part of Saskatchewan. I was surprised to hear the hon. member for Marquette say a few moments ago that there is a priority list which this committee uses in designating these historic sites. Although Fort Walsh is not recognized by the committee as an historic site, I think all hon. members of the committee who know their Canadian history will recognize that it is one of the most important historical sites in the history of Canada. It is maintained at the present time by the R.C.M.P. as a special place to raise their famous horses.

According to a letter which I have from the Minister of Justice, this application has been before this committee for a number of years. I would ask the minister whether he could give me the reason a decision has not yet been made in this matter. I am of the opinion that possibly because of pressure, if I may use that word, from the Department of Justice on behalf of the R.C.M.P. this matter has not been decided to this date. If there is a priority list I should like to know where this application stands on that list. I have had representations from that community, which is in my constituency. It lies in the southwest corner of Saskatchewan in an area known as the Cypress hills in the Maple Creek district. The site itself has natural beauty and is an attraction to tourists. Other speakers on this item have made reference to tourism, and I suggest to the minister that if he wants to gain tourist dollars for Canada this is one area which could be opened up to tourists.

Recently the chamber of commerce in Maple Creek has attempted to make representations to the government in connection with making this an historic site. The members of the chamber of commerce are wondering whether there is anything they can do as an organization to persuade the R.C.M.P. to permit visitors to the fort. I understand why the R.C.M.P. are reluctant to receive visitors at that site, because it is a nuisance. I do not suppose that the budget of the R.C.M.P. provides for looking after tourists, but when I see an item of $728,000 in the minister's estimates relating to this particular activity I do wonder what portion of that amount has been allocated to the province of Saskatchewan.

These people are not asking for very much. All they are asking for is a guide and possibly for some improvement to the road from Maple Creek to the site. I suggest to the minister that this is a less costly project than some of the others which have been suggested today. No request is made for swimming pools and such things—not that I want to detract from anything which another hon. member has said in that regard. However, it seems to me that the request of the chamber of commerce and the people from the Maple Creek area is legitimate, and does not involve high cost.

As I said before, the officials of the R.C.M.P., though not intentionally, are discouraging the opening up of this site, and

some of the excuses they have given in this respect cannot be accepted either by myself as the member representing that area or by the constituents I represent. The R.C.M.P. say there have no guides and there are no parking facilities. I realize that there are no guides, and possibly they have not the manpower to provide them; but as far as parking facilities are concerned, the area itself is vast with plenty of range land. I suggest that one of the greatest worries of the officials in that area is that a fire hazard could be created on this grazing land, but I think that could be overcome.

The suggestion of the chamber of commerce in the Maple Creek area is that if this site were in the United States there would be a four lane highway to and from the site, with hot dog stands all along the way. That is not what the chamber of commerce are requesting; they just want recognition of the site by the committee, a few dollars to provide a guide or two during the tourist season, and an improved road. This would not cost very much.

I wonder whether the minister would inform the committee if there has been any consultation on this matter between his department and the Department of Justice. My representations in the past have all been made to the Department of Justice because the R.C.M.P. come under the jurisdiction of the Minister of Justice. However, I have now come to the point where, although I understand the position of the R.C.M.P. officials, I also feel it is time this site is recognized and is opened up to tourists. In the not too distant future I am sure this is going to come, and if the minister agrees with me I suggest that he talk to this committee and put this application high on the list.

Mr. Rynard: Mr. Chairman, I should like to draw the minister's attention to an historic site known as Fort Cahiaque in my area, located in a very beautiful setting, approximately seven miles from Orillia and one half a mile off the trans-Canada highway. Professor Emerson of the University of Toronto has been doing considerable work in this area and has unearthed some very interesting objects. I was there one day when a heel of a shoe worn by a Frenchman approximately 250 years ago was unearthed. He is also outlining various buildings that existed in that area, including the longhouse. This is a beautiful setting which gradually slopes down into an area that 250 years ago was a lake but which today has gradually receded into a marsh. This area was once the location of one of the largest Indian villages in Ontario, and substantial evidence indicates that it was inhabited by approximately 10,000 Indians. In addition, Champlain stayed for some time in this area. Professor Emerson will be appearing before the board of historic sites later this year, and I ask the minister to give full consideration to his suggestions.

Considering the things we have done in the field of historic site development I think we have overlooked the outstanding contribution made by Champlain, who played a great part in the development of this country. When we consider the hardships that Champlain had to undergo, living in this area infested by mosquitoes, flies, and all sorts of diseases, I think it rates highly as an historic site and further consideration to the re-establishment of this site as an historic site, should be seriously considered, thereby helping to give Champlain his proper place in history in this area, and historically show the build-up of that area. As I say, this site is located near Orillia, one half mile off the trans-Canada highway in a beautifully wooded area in the township of Medonte.

Mr. Thompson: Mr. Chairman, I have two matters I should like to bring to the attention of the minister and his department, one of which concerns generally the province of Alberta and the other concerning my own constituency. The hon. members for Medicine Hat and Athabasca have already referred to the Wood Buffalo park which is located partpartially within the Northwest Territories, but I should like to draw the minister's attention to certain facts in greater detail relating to this park, because I think there is an urgent situation which requires a decision in respect of policy and action coming from that policy as soon as possible.

It is rather interesting to know the part of Alberta that is presently under the jurisdiction of the federal government. Of the total national parks area in Canada, Alberta presently provides 58.8 per cent, and this does not include the Wood Buffalo national park of which we are speaking, that portion in Alberta which is much larger than Prince Edward Island. In other words, this park is so large it exceeds the total national park areas in the rest of Canada. All the national parks in Canada including those in Alberta, other than the Wood Buffalo park, could be placed within the boundaries of the Alberta section of that park and there would still be 1,700 square miles of park area unoccupied.

These figures are even more interesting when based on population. Alberta has approximately one seventh of the population of Canada, and by comparison, Ontario with a high density population, has only 11.8 square miles of national park, while Alberta has 7,042 square miles, not including the Alberta section of the Wood Buffalo national park.

Mr. Chairman, we in Alberta are not against national parks as such because we feel they play a very important part in Canada and will play an even greater part in the future. However, in view of the size of the area now occupied by Wood Buffalo national park, withdrawn from the provincial administration and from natural resources development which would normally take place, this matter becomes extremely important. It is also interesting to note that 10 per cent of the total area of Alberta is taken up by national parks located within that province.

The suggestion made by the minister relating to some policy concerning the Wood Buffalo national park relating to an exchange of areas elsewhere in Alberta at least some of the area taken up by that park is a bit irrelevant. It appears to me that we tend to regard negotiations between the province and the federal government like negotiations with a foreign power, where there is a necessity to drive a hard bargain. I do not think there is any question of trading acre for acre involved, but a question of facing the facts concerned with the problem of working out a solution to the mutual benefit of both the federal and provincial governments, as well as the citizens of the province. Therefore I do not think the suggestion that has been made is realistic at all, particularly if the minister is suggesting that because the buffalo preserve was named as a park in 1922 by the government of that day, Alberta must now be penalized by the request that it provide a total alternate of 20,717 square miles of national parks. This is far out of proportion to the 4,933 square miles in the eight other provinces. I do not include Quebec in those figures because Quebec has not given land for national parks as such.

I believe it is the responsibility of the government to take a very hard second look at this whole matter, and to do so rather quickly. I do not think any change in policy regarding Wood Buffalo national park need jeopardize the policy of the government in relation to other national parks. The transfer of natural resources to the provinces in 1930 prohibits federal development of the resources. In Wood Buffalo national park, at the present time the federal government is in the business of granting timber leases. More than ten million board feet of timber are being taken out of this park annually. Trap lines are being licensed, and fur is exported from the park area. The value in 1961-62, the latest figure I have, amounted to more than $77,000. The total production from commercial fishing during that same year amounted to something like 114,000 pounds.

When Wood Buffalo national park is returned to the province, as I think it should be, the many other resources there, waiting for development can be developed. This cannot be done at the present time because of the area being within a national park. That is why I believe it is urgent that the government take some action on this matter.

There are only a few areas within Wood Buffalo national park that lend themselves to park purposes, and I am thinking specifically of recreation facilities. Those areas are on the Slave river, on the Peace river and at Pine Point some 45 miles south of Fort Smith. These areas could well be protected under provincial park legislation. The provincial park could be extended on the east side of the Slave river and take in some of lake Athabasca, which extends beyond the present park boundaries. With rapid development foreseen in northeastern Alberta there is no reason at all why park facilities in this area could not be supplied by the provincial government.

In relation to the administration of the park, I would join with the hon. member for Athabasca in paying tribute to Mr. Ed Olsen, the superintendent of the park, because I think he has done an excellent job. He is truly interested in the preservation of the buffalo and is certainly willing to co-operate in every way, but the problem at hand goes far beyond what he can do as the one responsible for administration of the park, and falls squarely upon the department.

I should like to bring to the attention of the minister several important facts that have been brought before the government of Alberta by Mr. Fimrite, the member of the legislature representing the area concerned. I put this information before the minister not only because I believe it is most relevant, but also to indicate that for some time now the Alberta government have been trying to get some action from the federal government in relation to this park.

Forty-two years have passed since Wood Buffalo national park was established as a sanctuary for the last remaining herd of buffalo. I am taking this information from a speech made last April by Mr. Fimrite in the

Alberta legislature. The preservation of buffalo in the park has been a very successful project. One error that was made was that the buffalo preserve was established under the National Parks Act. Unfortunately the government at that time gave little thought to the development of the natural resources in the days to come. This area does not lend itself to national park purposes, and it certainly cannot be said to be a tourist attraction. So it is logical that the Wood Buffalo preserve should be taken out of park jurisdiction. To insist stubbornly that the area is a park because it was so named in 1922 certainly does not make it so at the present time. That is why it is necessary to look at the matter in the light of the present situation.

Mr. Fimrite went on to point out in his speech that there are a number of things required to make this area commercially important. One is the construction of the necessary transportation facilities in that northeastern part of Alberta. The building of roads is of prime importance to the development of the entire area. It is urgent that a road be built from Fort Smith to Peace Point on the Peace river continuing west to High Level on the Mackenzie highway, a distance of 285 miles. Certainly the federal government, particularly the parks branch, is not going to be interested in building that kind of highway.

Not only is transportation important to this general area, but there are great natural resources in the form of minerals located in the area. The Peace Point gypsum deposits are well known, and they need only to be removed from the authority of the national parks branch to excite the interest of developers. The relatively pure gypsum in these deposits is exposed in cliffs rising from the Peace river to a height of 100 feet. The thin overburden makes its mining a very economical matter. Conservative estimates of the gypsum deposits are that there are more than 100 million tons. This is of extreme importance to the developing industrial strength of Alberta and all western Canada.

There are other types of minerals in the park area whose existence exploration has revealed. Paleozoic outcroppings along the west bank of the Slave river indicate that there are large lead and zinc deposits similar to those at Pine Point, which were sufficient to warrant the building of a railway to that area. There is a possibility that petroleum will be discovered in the southwest portion of the park area. Uranium is an additional possibility. With the development of the Athabasca oil sands near Fort McMurray, certainly a great deal of commercial and industrial activity is going to develop in the general area in which the park is located. The oil sands development is just beginning, because it will extend much farther north as well.

As I have already mentioned, there is a great deal of timber in the park area. The national parks branch has sold to private companies one and a half billion board feet of ripe timber. This was disposed of under a sanitation regulation that applied to national parks. Production is in excess of 10 million board feet per year at the present time. Because of the isolation of the area and the difficulty of access so far as transportation is concerned, this timber is producing a royalty of only $1 per thousand board feet. This is quite inequitable when compared with timber sales under provincial control, and the result is that the difference in policy creates quite a problem for the provincial government.

Among other national resources in the park is commercial fishing. The lake Claire waters within the present park boundaries are said to be capable of maintaining a flourishing goldeye fishery. The present catch has reached a maximum of 105,000 pounds annually. Fort Chipewyan immediately east of the park on lake Athabasca has been selected as one of the sites for the new provincial community development program, utilizing both the human and natural resources of the region, and commercial fishing is certainly a part of this program.

As far as the management of the buffalo herd is concerned, at the present time the herd is estimated to number over 20,000. A large number have migrated into the Northwest Territories. The anthrax infestation that the federal government is attempting to control is not limited to a region inside the park. Fortunately the disease is confined to a small area, and it may now be under control. However, the buffalo herd within the park is not free from disease. There is a high incidence of bovine tuberculosis as well as brucellosis among the herd, and the purpose of food supply for the Indians is not logical in the interests of public health. It seems to me it is quite a wrong argument that the management of these buffalo herds could be carried on equally well whether this area is a park area or not.

I am not going to spend more time talking about the development of certain recreational areas of community development programs, except to say again I believe these would fit into the provincial program, in the light of

the location of the park, far better than under any national parks administration.

I would refer the minister to a press release which I am sure he has in his possession, issued by the provincial minister of lands and forests, Hon. Norman Willmore, in Alberta, in regard to this, as early as December 1962. I draw to the minister's attention again that the provincial government has been trying for a long time to get action from the federal government, and the reasons the provincial government feels action should be taken on returning this area to it are listed as follows in Mr. Willmore's release:

1. The development of the natural resources is clearly the responsibility of the provincial government and we believe this can be properly accomplished under the multiple use concept of resource management.
2. The area does not lend itself either presently or in the future to development for national parks purposes.
3. The government of Canada now holds a disproportionate amount of land in Alberta compared to the other provinces for various purposes, including national parks, which in all totals approximately 23,500 square miles. For example, in Ontario national parks comprise a total of 12 square miles, although this is the area of Canada which is most heavily populated.
4. Alberta has developed an extensive system of provincial parks and recreational areas as well as establishing wilderness areas and we have reserved and designated many other areas of crown land for future development as our population grows.

Therefore the government of Alberta feels that the Wood Buffalo park area should be dealt with on the basis of return to the province rather than in the light of any exchange of lands. It is our belief that this proposal will serve the best interest of the people of Alberta and Canada as a whole.

I would urge the minister to set up a provincial-federal commission to deal with this matter and to lay out a policy and pursue the action that is necessary, and I urge him to do this immediately because this problem has gone on far too long already.

The second point I would like to refer to briefly concerns my own constituency, and specifically the historic site that centres on the original location of one of the earliest forts in western Canada, the fort named Fort Rocky Mountain House. This is one of the oldest and most important forts west of Manitoba. It was in existence long before forts such as Fort Edmonton. In fact as early as 1799 both the Northwest Company and the Hudson Bay Company operated forts at Rocky Mountain House. Basically they were fur trading forts, but also represented the very terminal point of the fur trading route at that time, coming eastward from the west, with Rocky Mountain as the western boundary.

[Mr. Thompson.]

At the present time the North Saskatchewan river has deviated from its original course, to the extent that the entire site on which these forts were located is threatened with being washed out of existence into the river bed. The actual remains of the last fort to be built on this site are now just on the edge of the river bank. The old chimneys still stand, but within a matter of a few years they will be washed into the river. Already the tunnel that led down from the fort site to the river bank has been washed away, and it is urgent that the historic sites branch take a very close look at this particular site with the idea of preserving the remains of the original forts before they are completely destroyed.

I have had it checked by engineers in the area who tell me it is not a difficult problem. With modern equipment it would be a simple matter to clear out the original river channel, which is some several hundred yards to the south, so that the river could be diverted into its original channel instead of being allowed to erode away the north bank on which is located the fort ruins.

I have been concerned at a communication I received from the department relating to the historic basis of these old forts. In it it is pointed out that the chimneys and ruins which are now standing were built as late as 1864, and abandoned in 1875. There is some error in that information. We know there were several fort sites. Both the Hudson Bay and Northwest Companies had forts there and these forts were burned down at different times and rebuilt. There were several different sites, and the Glenbow foundation has done much work, and will do more archaeological work next year, digging up some of these older sites. However the fact remains that the present ruins go back much earlier than 1864, and moreover they are the last evidence of this historic site. Whether they were built in 1798 or 1825 really does not matter. They should be preserved, and I urge the minister to consider doing so because as we approach our centennial we are concerned about our early history and are trying to preserve as much of it as we can.

One of the proposed projects now before the centennial council is a re-enactment of the old fur trade convoys from the west to Montreal. The plans presently proposed would have a canoe convoy begin at Edmonton and

take some three months to travel over the old fur trade route. It would be much more true to history if this trip should begin back at Fort Rocky Mountain House, and I am sure those responsible for suggesting this project would agree to that, particularly if the department were to take the initiative and restore this site.

Further I would urge the minister to use his influence, so far as government policy is concerned relating to centennial projects, to support this convoy re-enactment that is projected as a centennial project. One of the ways in which he could do this is to pay very close attention to the historic sites along the route, not just the one at Rocky Mountain House but all the others as well. Since I became interested in this project I have come to realize how it could be one of the most practical ways of teaching history to all our young folk, and to our older folk who do not realize the tremendous wealth of history this country has. Canada has a dozen Davy Crocketts who could be the heroes of our young people at school as they study the early years of Canadian history. All this enters not only into the celebration of our centenary but is vital to the building of the national spirit we must have if Canada is to be the nation we all expect it will be.

I was most grateful that during the past summer the Minister of Public Works was able to take a couple of days off duty and travel over part of the ancient route which the great explorer and map maker, David Thompson, travelled nearly 200 years ago. We travelled together through the Rocky mountain pass known as the Howse pass which connects British Columbia with the fur trading route I was talking about—past Fort Rocky Mountain House and Fort Edmonton, through north Saskatchewan to lake Winnipegosis and then on through the Lake of the Woods to the great lakes, connecting with the Ottawa river system which flows right past parliament hill.

I am sure he shares with me a knowledge of the historical significance of this general area. In closing, I would urge the minister and the government to pay close attention to the responsibilities allocated to the department of northern affairs as they relate to the restoration and reconstruction of these important historical sites linked with the earliest days of Canadian history.

Mr. Barnett: I rise on a question of privilege. I realize we are sitting continuously in consequence of an order of the house and that you have recently arrived in the chair, but I wish to draw to Your Honour's attention that it would appear to be desirable if we could reach an agreement which would enable the minister, at least, to have time for a sandwich and a cup of coffee. I realize that the rest of us are free to go and come as we choose. Nevertheless there are some of us who wish to be here when the hon. gentleman replies to the questions which have been addressed to him, and I am wondering whether there would be a disposition on the part of the committee to rise and report progress. Perhaps there would be unanimous consent to recess for half an hour or so during which time the minister could get a sandwich and a cup of coffee.

Some hon. Members: Agreed.

Mr. Laing: I deeply appreciate the consideration of the hon. member for Comox-Alberni, but I am in great shape; I am not hungry. However, I do think it would be of advantage to the committee if I were to attempt at this point to deal with the considerable number of constructive contributions which have been made with respect to this item.

We are dealing now with the subject of national parks and historic sites. I think it is obvious to us that not only on this continent but everywhere in the world the preservation of outdoor spaces is of greater concern than it has ever been in the past. We, in Canada, with our relatively small population today, could do ourselves a great deal of good by studying public opinion in the United States in this regard. I do not think any single subject at the present time has been brought so forcefully to the attention of the people of the United States as this need to preserve places of recreation in the open air for future generations. Scientists, doctors and psychiatrists are now becoming authorities in telling us that we have to preserve our countryside—that the rapid pace at which most people live today has to find some compensation and that this is best provided by preserving intact our forests, our lakes and all those places outdoors where the public may go for recreation.

Before I resume my seat I intend, Mr. Chairman, to ask permission to have printed in *Hansard* a statement showing the attendance at our national parks over the past number of years. I was astonished to learn that it was only in 1947 that the total number of visitors to the national parks reached

one million persons. Yet last year the attendance reached nine and a half million. The whole nature of the attendance at our parks has changed and we are confronted with a crisis inasmuch as we have a flood tide of people arriving by automobile who say: Where do I park the trailer; where is the camping ground; where do the tents go?—and so forth. We find there is a marked change in the nature of the traffic. As well as using motels, in the last two or three years people have been using sleeping bags, and roughing it—in comparative comfort, of course. There has been a great change in this regard. While we are doing our best to take care of the new demand in this direction we must remember that we have a responsibility for doing things now for generations which may be many hundreds of years away. Generally speaking, due to the interest in the United States where many hundreds of millions are now being called for by the President and by the secretary of the interior, it would seem to me we cannot lose by setting aside at the earliest possible moment as much land as we possibly can for this purpose.

Some hon. Members: Hear, hear.

Mr. Laing: We shall not go wrong in this regard because I am confident that the areas which we set aside will never depreciate in value. As a great natural resource they will increase in value, so we shall always be on the safe side. In addition, we shall be providing a requisite for the future.

I was very happy when, on Wednesday of this week, secretary of the interior Udall, in the President's plane, took over the loudspeaker to describe the beauties of the area we were crossing. He told us the point had been reached, now, at which the population of the United States felt it had a particular responsibility for the fantastic beauties of the Canadian region which the hon. member for Kootenay East represents, among others. I was delighted, too, to hear Mr. Udall admit that this was a matter of very great importance to Canada's balance of payments situation.

Bearing all these things in mind, I wish to thank members of this committee for the large number of constructive criticisms which have been made of the department and for the fine suggestions which have been put forward. I wish to dispense with the subject of historic sites by saying that members who have called the attention of the committee to particular historic sites in their areas can be assured that those sites will be given the keenest attention by the board on historic sites when it meets.

I wish to deal with a suggestion made by the hon. member for Edmonton West who is concerned, as we all are, with the orderly development of Banff and Jasper, particularly the service centres. We are concerned with the provision of a road through the park to the Yellowhead pass. We are completing as fast as we can the highway between Banff and Jasper and we shall be making a statement with respect to the Oberlander report, I think, on October 19, to the Jasper chamber of commerce. We will provide them with a copy, and the board of trade of Edmonton will also be provided with a copy so that they may study it and make suggestions to us when our ideas as to how the report can be implemented are announced in Jasper. We are of the opinion that the next great explosion of demand for service will be at Jasper and we are making strides as rapidly as we can to provide new facilities there to take care of the impending rush of people. Our figures seem to indicate that the same thing that has happened to us in Banff is imminent in Jasper, and we hope to be ready to deal with it. I assure the hon. member that we have now in the works a highway program involving all the complexes within Jasper over the next three years and amounting to something in excess of $3 million, which should put the highways in pretty fair shape in that particular area.

The hon. member for Marquette dealt with historic sites, and what I said on this subject applies also to Fort Ellice. The hon. member for Grey-Bruce raised the matter of another national park in Ontario. What I said in this connection applies equally in his case. We find this difficulty, that under our act the provinces have to acquire the land and turn it over to us free of encumbrance. I will be dealing a little later with the remarks of the hon. member for Red Deer, who says that Ontario has only 12 square miles of national parks and Alberta has 23,000 square miles. I can only suggest to him that I know how happy the province of Ontario would be today if it had one or two of those magnificent parks that are in the Rockies opposite the tremendous population of the United States; because if those parks were opposite the great cities of New York, Philadelphia, and so on, it is quite obvious what the first industry of Canada would be. It would be tourism, of course. But here is the difficulty; the provinces are required to turn over this property to us free of encumbrance. That is why I made the statement yesterday that the best

time for the establishment of a national park was yesterday morning, because the cost of these properties is going up all the time. At the present time we are working very, very closely with the province of Ontario in this connection. Our parks people are working harmoniously with the very excellent parks people of the province of Ontario in respect of the selection of a national park in that particular province.

I wish to refer to the remarks of the hon. member for Medicine Hat. We have already had brought to our attention the proposal of a park in the general Drumheller area; that is, Dinosaur park. I will now deal with his remarks with respect to Wood Buffalo park, as I will the remarks of the hon. member for Red Deer.

Wood Buffalo park is an enormous park of some 17,000 square miles. I have been somewhat disappointed in that I thought it was a park of such enormous size that no matter what happened to our other national parks, some day we would be able to build a highway in there and this would take care of the overflow of all the parks visitors to Canada. Well, Mr. Chairman, it has not happened that way. This is an area with regard to which I have said that I think the space of time between unbearable insects and frost is too short. In addition to that, it seems to be awash with water in parts. It is not a park that will satisfy the requirements for the outdoors for a great number of Canadians. We are fully conscious of this. We are conscious, also—and this has been brought to our attention by the government of the province of Alberta—of the fact that the provincial government wants to get in there, take over the resources and exploit the park, at least in part. It appears to me—and I am going to face this point—that the government of the province of Alberta is a little more commercial than some other governments. That is not against them.

Mr. Thompson: If you said "more progressive", perhaps that would be better.

Mr. Laing: Yes, they are making progress. I have said in my own province that they are fortunate in having the richest province in Canada. I have said that in British Columbia, so having said it in that province I think I can say it here. I would like to draw to their attention the fact that the parks themselves are a tremendous part of the progress and prosperity they are experiencing. We have figures to show that $15 million was expended on the national parks in the Rockies last year, and they are a tremendous drawing card for visitors. The beauties of the mountain parks of Alberta are a magnet for the tourist.

Mr. Thompson: Mr. Chairman, would the minister permit a question? Does he mean by his remarks that he is putting this vast 17,000 square miles area in northern Alberta in the same category as the Banff and Jasper parks? I mentioned the points that I did to show this was not a park in relation to recreational facilities. Therefore I think it is very unfair for the minister to be drawing the conclusion he is at the present time.

Mr. Laing: Mr. Chairman, I do not know whether the hon. member is trying to help me, but I was just getting around to my argument in this regard. I realize we should never class Wood Buffalo national park in the same category as the other magnificent mountain parks we have in this country. At the same time I wish to tell the committee that I am convinced that public opinion in Canada would take this stand: "Don't diminish or reduce any park area in Canada, but increase it". In the negotiations we will be having shortly with Hon. Mr. Willmore, the minister of lands and forests, we are going to put the proposition that there should be something in the way of exchange in respect of that park. So far as the buffalo herd is concerned, we think it would be best for us, and probably best for the buffalo, if we retained it as a national herd.

Mr. Thompson: The buffalo are not much concerned about that.

Mr. Laing: In other words, we would establish something in the nature of a game preserve within the park and at the same time permit the development of the gypsum deposits under provincial administration, and so on. We are working, in a spirit of exchange, to the establishment of still another national park in Alberta closer to the great veins of traffic to which the hon. member for Medicine Hat referred. We think this would be profitable to Alberta as well as profitable to Canada.

I want to say a word of thanks to the hon. member for Athabasca, who also dealt with the Wood Buffalo national park and with the Elk island buffalo herd. With respect to the Elk island buffalo herd, I am of the opinion that if more people knew that herd of 600 or 700 buffalo was 30 miles from the city of Edmonton, we would get a great many more than the 176,000 visitors who

visited the park last year. I have a great deal of admiration for our manager there, Mr. Webster; I think he is the best animal husbandry man we have. He is doing a splendid job and is supplying us with many thousands of bales of hay for other parks as well as for the animals there. There are 600 or 700 buffalo in one place there. I never saw a single buffalo when I visited the park. It was a hot day and they were all under the trees. I am quite sure that any visitor who went there on that day did not see a buffalo. These are plains buffalo, and I am sure they can stand the heat better than I. I suggest we should open up some space for them and let the public see a herd of some size.

There is trouble there with Astotin lake, I think it is called. This is a reedy, marshy lake. The hon. member for Vegreville and I were there on one occasion. We were not girl watching that day, but we saw people emerging from the lake with reeds hanging all over them, and so on. If we had a clear water lake there, it would be an extremely popular park. The hon. member suggested that a swimming pool be built there. I do not know whether that would work. We are spending $376,000 for 176,000 visitors. I have an idea that that is as large an expenditure per capita as we make in any of the parks. We will do our best to develop this park. It has been suggested to us that we get some help in clearing the water there, in other words destroy the weedy growth at the bottom. If we had a good lake it would be very attractive, and we will also try to make the buffalo there an attraction as well.

The hon. member for Queens (Mr. Macquarrie) dealt with Prince Edward Island park which substantially and unfortunately is composed principally of sand dunes and coast line. It is one of the most beautiful extended beaches in all Canada without a doubt. Last year it attracted over a million visitors; it has a splendid beach but very little depth. Here again we have a situation where we should have had the national park the day before yesterday, because today with the development behind this extremely narrow park it would be expensive for Prince Edward Island to expand it. However we will keep in touch there and do the best we can to expand the park. We are now engaged with the province on a joint survey and working closely together to see what can be done with respect to giving more depth to the park, or probably look at some other area in another part of the province for a second park.

[Mr. Laing.]

The hon. member for Comox-Alberni wanted me to endeavour to get out of the confusion or difficulty that I am in with the Minister of Public Works, owing to the fees charged on the parts of the trans-Canada highway which run through national parks. We have established the principle of a fee in the national parks. This is a practice which has been established in most other countries and we do not want to drop it for a number of reasons, one of the main reasons being that it produces over 30 per cent of our total revenue from the parks. I think last year $960,000 from vehicle fees was collected out of a total revenue of $2,889,000. I am not going to insist that these are all the revenues which a park can provide. I think our national park revenue should be higher than this. We might then discuss the opportunity of abolishing fees across Canada. Probably before that we will be discussing the possibility of making fees universal in national parks across Canada, which is not the case today. But the matter of revenue is extremely important to us. We have the occasional person who is called upon to travel between Calgary and Vancouver or Winnipeg and the Pacific coast and who complains about paying when travelling through the parks. This complaint is generally quite lighthearted and is usually made at the gates to the attendant.

It is a difficult matter for us, but I want to remind the hon. member that we are in the process of expending in the national parks on highways alone $73 million, and we have expended to date over $50 million in building highways which are of a standard which I think exceed any of the standards insisted on by the provinces. I am of the opinion that after looking at the Rogers pass area, the highway that runs from Banff to Jasper and the highway which will be completed down to the Kootenay national park, we have three highways there which will defy competition from any location anywhere on the face of the earth. What we want to do is to bring more people to Canada to enjoy our parks, and of course to pay a fee, too.

The hon. member for Humboldt-Melfort-Tisdale dealt with employees in the parks and the advisability of providing them with some better accommodation. We are quite aware of this problem and it is one of the difficulties with a seasonal enterprise operating for three or four months. Accommodation has to be set aside for them of a suitable nature, bearing in mind that you can look forward to its being closed six, seven or eight months of the year.

However, we will do our best to take care of this situation.

The hon. member for Vegreville spoke of Elk Island national park, with which I have dealt, and the Ukrainian museum. There is a very splendid museum representing the early days of this extremely important segment of the Canadian community and I am certain that the people from the area are extremely proud of it. I think he is now probably calling for an extension. I was present in Elk Island park when the monument to the Ukrainian pioneers was unveiled. The hon. member also wanted a swimming pool there. These are some things we will have to bear in mind as the parks develop and as demand for these services in the parks increases.

The hon. member for Kootenay West dealt again with the superintendent's house. I think this must be the eighth, ninth or tenth occasion on which he has dealt with this matter.

Mr. Herridge: The fourth time. Whenever I see waste I shall continue to try and prevent it, especially when it is in connection with this sort of thing.

Mr. Laing: I dealt with this on one occasion myself. I reminded him that the house in question was built under a dispensation prior to the term of office of the present government. I also reminded him that the house was up and it was not my intention to tear it down. Since I uttered those remarks I have been a visitor to the superintendent's house and more than ever I am determined not to tear it down.

Mr. Herridge: What about the expensive copper lining to the living room?

Mr. Laing: It is a beautiful house. I see the hon. member has also visited the house.

Mr. Herridge: He has not.

Mr. Laing: Then he has been peering through the windows probably. All I have to say is that it would appear to be a magnificent house for the superintendent of a national park. I would tell the hon. member that we are now getting demands or requests that when a notable visitor comes to Canada we should turn him over to the superintendent of the national park if and when this person passes through. That is a matter which I am not very happy about because our superintendents were certainly not appointed to entertain visitors, however notable, and I would hate to have a great deal of their time expended on that sort of thing. But certainly when someone of some significance to Canada comes to see us, there seems to me there is a little bit of merit in having the superintendent of the park entertain him in a house that is at least commensurate with the object in hand. This is the only defence I make of that particular house. I do know it was built in the term of office of the previous administration, and it seems to me well built. If it cost a lot of money probably the value is showing in the house itself.

The other detailed questions asked by the hon. member I will have to take as notice and write him. They concerned the salary of the superintendent, his administrative experience, and so on. However, I would say to the hon. member that when the task of building the new highway there is completed, which we hope will be at the end of next year, and when we develop the top area we will have in Mount Revelstoke park undisputably the best mountain park in North America.

Mr. Herridge: I agree.

Mr. Laing: At the present time the private investment people are aware of that and are building a great number of splendid motels in Revelstoke. Revelstoke is expanding extremely rapidly. It is booming, as a matter of fact, as a resort area at the present time. While the hon. member is remembering the costly house I would like him to think of the ski jump which we are renewing this year where world records of all kinds have been made, as well as a splendid road we are building up to that magnificent mountain park.

The hon. member for Red Deer dealt with the extent of area in Alberta that is set aside for parks, and I have attempted to explain that situation. He dealt with the resources that could be taken out of Wood Buffalo national park, and I agree with him in this regard, but I would hate to think that many people would agree with the implication that in providing national parks for Canada Alberta is making a sacrifice. I do not think Alberta is making a sacrifice in this regard, in view of the gas tax and money spent by tourists as a result of these tremendous assets.

In my own province of British Columbia I should like to see some of these national parks developed between Calgary and Vancouver, because we both have like or similar areas, and the tourists who come to the west coast from Seattle or from Vancouver island always ask as their first question, "Where is Banff; we want to go there at once." I think if we divided the traffic we would not have the tremendous pressure that exists in Banff at

the present time, to the point that it is very difficult for us to serve that area.

Mr. Barnett: May I interrupt the minister to ask him why he stopped at Vancouver? What about Vancouver island for a national park?

Mr. Laing: Yes, Mr. Chairman, we have received representations recently from Vancouver island, and there is one area in the constituency of the hon. gentleman which I think would make a magnificent park. I do not know the size of this area, and I refer to—

Mr. Barnett: Strathcona?

Mr. Laing: You may call it Strathcona, but there is another name. You have so many there it is difficult to remember. The Forbidden Plateau area is the area I have in mind. Other representations have been received in respect of parks for the west coast, and we have had several discussions in this regard. It is public knowledge now that we have the Garibaldi area in mind, and when we find five national parks on the Atlantic coast with tremendous attraction for visitors, and none on the Pacific coast, I think it will be obvious that we will not drop any of our efforts to obtain a national park there. I think the establishment of such a park on the Pacific coast would be tremendously advantageous to us.

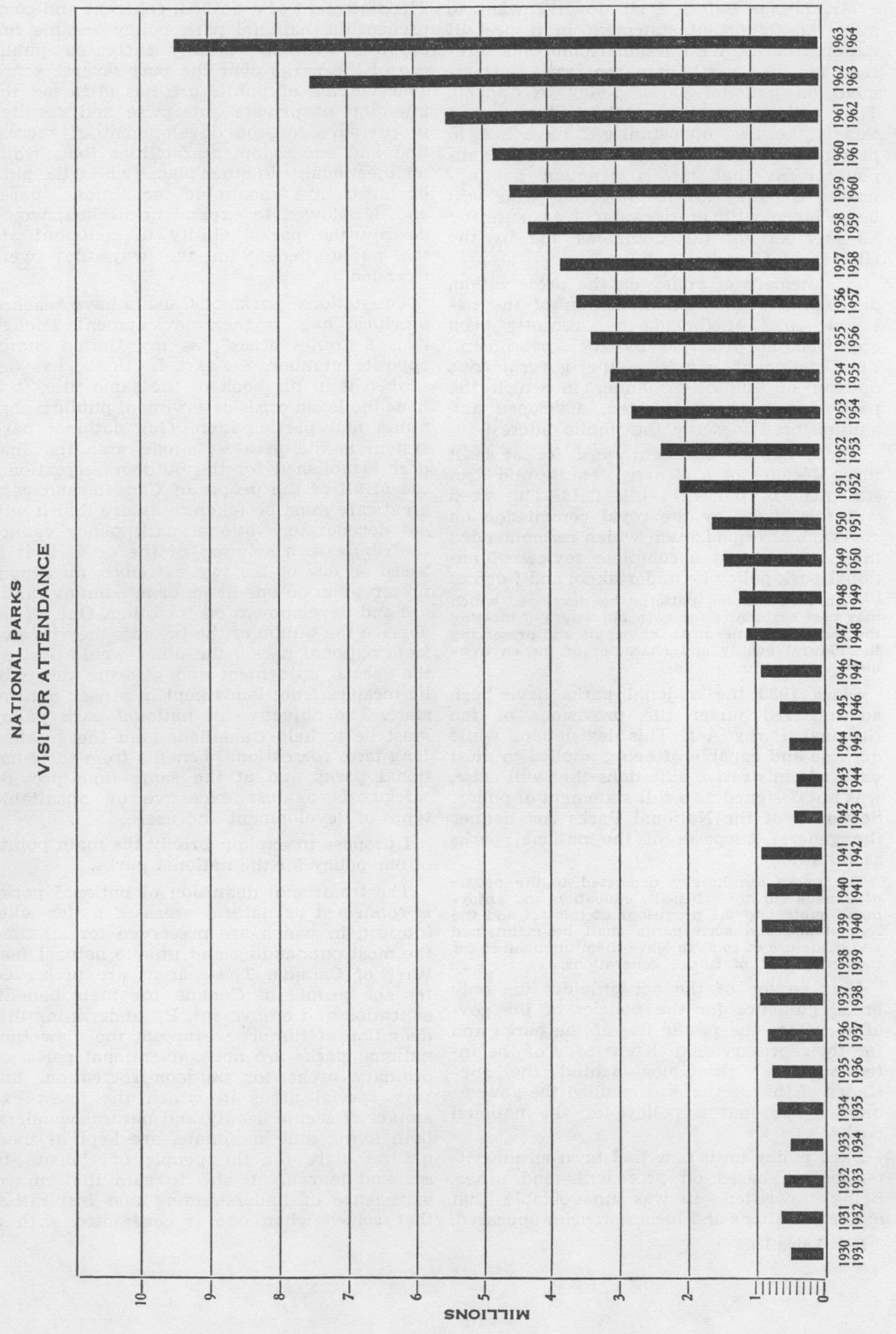
The hon. member for Red Deer spoke of the Rocky Mountain House historic site. We have some information to the effect that the old fort No. 1 of which he spoke was built in 1799 and the site is now unknown. Fort No. 2, which was built in 1846, is three quarters of a mile away from fort No. 3 which was built in 1864 to 1875. Our information is that fort No. 3 is being eroded very badly and it would be extremely costly to repair. Perhaps some attention should be given to the No. 2 site.

I want to assure hon. members that all these splendid representations made in respect of historic sites will be given every consideration by the historic sites board. I want to pay tribute to that board for the very fine work it has done on behalf of Canada. We are now approaching our centennial of confederation when more and more attention is being given to the road by which we have travelled, and the greater extent to which the local people living at these sites can be incorporated in the maintenance of and the enthusiasm for these places, the better for all of us. We have found everywhere across the country that that is the case, and we will take this opportunity at this time in our history of consolidating as many of these sites as we possibly can with the money available.

Before I sit down, Mr. Chairman, I should like to ask permission to incorporate in *Hansard* the graph showing visitor attendance to the national parks.

Some hon. Members: Agreed.

[*The graph above referred to is as follows:*]


NATIONAL PARKS
VISITOR ATTENDANCE
MILLIONS
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1930 1931
1931 1932
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Mr. Laing: Before I sit down I want to make an important statement in respect of national parks. We have for some time foreseen that we would have to make a statement on national parks policy in Canada. That policy has been established now and this is the first opportunity I have had to present it to the House of Commons. The announcement that the government has approved a policy for the national parks will be received with gratification, I am sure, by all members of the Commons and by the citizens of Canada.

A statement of policy on the preservation, development and administration of the national parks of Canada has recently been approved in principle by the government. This statement expresses the government's opinion on the best manner in which the parks can be best operated, developed and administered to serve the public interest.

There has been urgent need for at least three decades of a clearer, definite and firm statement of policy in this field. This need was recognized by the royal commission on government organization which recommended in its report that a complete review of national park policy be undertaken, and I quote:

> ...that operational patterns be developed which may best harmonize the twin objectives of meeting the recreational needs of the people and preserving the natural beauty and character of the environment.

Since 1930 the national parks have been administered under the provisions of the National Parks Act. This legislation, while durable and capable of being applied to most park administrative situations that will arise, was not designed as a full statement of policy. Section 4 of the National Parks Act defines the general purposes of the national parks as follows:

> The parks are hereby dedicated to the people of Canada for their benefit, education and enjoyment, subject to the provisions of this act and the regulations, and such parks shall be maintained and made use of so as to leave them unimpaired for the enjoyment of future generations.

This section of the act provides the only broad guidance for the policies of the government for the public use of the parks and for their preservation. Knowledge of the intentions and principles behind the substance of this section has enabled the government to set out a policy for the national parks.

Park policy until now had been an unwritten policy, based on precedents and usage. Being unwritten, it was unavoidable that minor variations and inconsistencies appeared.

The statement of a unified, coherent and comprehensible national park policy became imperative with the greatly increased public use of the parks over the past several years. This volume of public use has attracted the attention of private enterprise and resulted in pressure for the development of recreation and entertainment facilities that, while unobjectionable in other places where the public meets, are unsuitable for national parks and, if allowed to expand unchecked, would destroy the parks' ability to contribute to the public benefit in the way they were intended.

The national parks of Canada have reached a critical stage in their development. Though it is a "quiet crisis", as my United States opposite number, Stewart L. Udall, has described it in his book of the same title, it is none the less a crisis deserving of public recognition and participation. Our national park system is the greatest single area that has been established for the outdoor recreational use of all of the people of Canada, and very great care must be taken to assure that it will not degenerate. National park policy cannot contribute to a solution of the crisis if it is based on one of the two extremes, maximum preservation on one hand, or maximum public use and development on the other. One would deprive the public of the benefits they receive from national parks; the other would destroy the special enjoyment and pleasure the public receives from lands kept in a near natural state. The objective of national park policy must be to help Canadians gain the greatest long term recreational benefits from their national parks and at the same time provide safeguards against excessive or unsuitable types of development and use.

I propose to explain briefly the main points of our policy for the national parks.

The traditional definition of national parks is confirmed as natural areas of nation-wide interest, in which are preserved for all time the most outstanding and unique natural features of Canada. These areas are preserved for the people of Canada for their benefit, education and enjoyment. By underlining this definition of the act we accept the view that national parks are not conventional parks or ordinary areas for outdoor recreation, but very special areas in which the finest examples of scenic beauty and natural wonders, both living and inanimate, are kept in their natural state for the people of Canada to see and marvel at, and to gain that mixed experience of understanding and inspiration that comes when one is confronted with a

physical expression of the finest of the Canadian scene.

Our understanding of the national parks as sanctuaries of nature where people can relax and enjoy themselves amid a natural environment precludes the exploitation of the natural resources for their commercial value. Canada is a land still rich in natural resources. We have not yet reached the desperate stage in our growth where every cubic yard of the land must be squeezed for whatever material potential it may have. To preserve as national parks lands that altogether make up little more than 1 per cent of our total land area is not a waste of natural resources, particularly when these lands together with their complete resources give our people the opportunity to find some solitude and freedom from care, to rediscover an easy relationship with nature, and to understand the beauty and significance of the natural features that express Canada's very individuality.

A quotation from a speech by Senator Clinton B. Anderson of New Mexico is relevant:

> Wilderness is an anchor to windward. Knowing it is there we can also know that we are still a rich nation, tending to resources as we should—not a people in despair, searching the last nook and cranny of our land for a board of lumber, a barrel of oil, a blade of grass, or a tank of water.

The national parks have provided their benefits to the people of Canada only because the kinds of resource use that have scarred, destroyed, and diminished the scenic values of large areas of the country have not been allowed. Benefits of future generations will be even greater if the natural resources within the national parks remain in their natural state, untouched. Mining, lumbering, prospecting, commercial fishing, oil exploration and production, even hunting—these all would rob the people of Canada of all that is unique within the national parks and much of their attraction and beneficial purpose.

Development in a national park must be considered solely on the direct effect it will have on increasing the public's enjoyment and use of the national parks and on maintaining them as sanctuaries not only of nature but for nature. It does not follow that the government does not wish further development undertaken in the parks. Certainly adequate and appropriate developments are needed to enable the public to use the parks more and gain a better appreciation.

Where best to locate such development and the intensity of development permissible without the impairment of natural values are matters best decided by reference to a land zoning system. In any large area such as a national park, every point does not have the same scenic quality, the same potential for public use, or the same practical advantages for development. The areas that now remain as superb wilderness and are unlikely to be heavily used by the public in future because of their isolation from the routes followed by most visitors will be defined as wilderness zones. The type of development allowed there will be slight, mainly trails or canoe routes and primitive overnight shelter, the barest facilities that will allow access to these areas for the few park visitors who wish a true wilderness experience.

Other areas that are the objective of most park visitors and can be reached easily by extension of present road systems will be developed, but in a careful manner that will assure that all scenic points of interest are not obscured by buildings and parking lots and that the primitive natural beauty of the national park landscape remains to give the scenes depth and meaning.

Visitor service centres will be established in these heavily used areas. Like an urban shopping centre, a visitor services centre will be a grouping of all those services a park visitor wishes—a camp ground, motels, restaurant or coffee shop, gas station, information bureau, a store where supplies can be purchased. These will be located at less scenic locations, convenient to the main points of visitor concentration and yet close enough to scenic viewpoints and other places of interest that visitors can drive there quickly.

The establishment of visitor service centres in the national parks will inaugurate an orderly development pattern, faithful to the purpose of the parks. It will end the scattered development of services that is so irritating to park visitors, the situation where visitor services are scattered haphazardly along park roads and highways so that a visitor desiring a number of different services must make several stops and often drive farther than necessary. In terms of this policy, the present park townsites can be considered only as visitor services centres. Their only reason for being is that they provide essential services to visitors or services to the national parks and its staff.

The government does not intend that national parks attempt to meet every recreational need. To do so would destroy the special purpose they serve in allowing the public to enjoy nature and engage in activities that can be carried out enjoyably only in a natural environment. In future, only such activities

as photography, sightseeing, hiking, swimming, riding, skiing, nature observation, fishing and boating will be encouraged by the national parks branch. There are many other types of entertainment and recreation Canadians like to engage in on holiday, but if these are unrelated to a national park and its special purpose and do not require a natural environment for their enjoyment they should be sought elsewhere. Because a national park generally has lots of space, attracts large numbers of people and is public land, many people think it can be developed to its maximum potential by allowing it to become a series of private or commercial resorts. This is a misunderstanding of the purpose of the national parks.

The policy we have adopted regards the national parks as a national asset protected by the national government, and a public service provided by the national government as a contribution to the health and happiness of the citizens. Therefore all basic facilities in the national parks, such as roads, trails, camp grounds, and public utilities, and the costs of administration and protection, are provided out of public funds rather than being paid entirely by the persons who use the parks.

Beyond that, all facilities needed to serve visitors are the responsibility of private enterprise to provide and operate. Commercial visitor services such as hotels, motels and service stations should be provided by the private sector of the economy. Where the public demands special facilities for their use, such as swimming pools, golf courses, marinas and fully serviced camp grounds, those who use these special facilities should pay charges that will at least cover the costs of operating and maintaining these facilities.

The policy regarding those who live and carry on business in the national parks is that they should enjoy no particular economic advantage or disadvantage because of their special place of residence or business. In general, they should be subject to the same financial responsibilities as those who live or carry on business elsewhere. This policy will be applied when charges, rentals and fees paid by national parks residents to the federal government are being reviewed.

A change in policy toward residence in national parks has long been required. In earlier times, when the national parks were not so heavily used nor so easily accessible as they are now, it was reasonable to allow persons to take up permanent or temporary residence, especially when they were regular park visitors whose place of work or primary point of residence was in the vicinity of a national park. Long term leases were granted to these individuals and buildings erected that served them as either permanent or summer homes. In some national parks, residential subdivisions were established to provide for the summer cottages of local park visitors or for the homes of persons who had no reason, other than a personal wish, to be living in a national park. The effect of this policy has been to give special benefits and advantages to individuals who were fortunate enough to live near a national park. National park land is public land that must be used for public park purposes, not for private residential development; it must be used in a way that clearly contributes to public enjoyment and service, not for the private benefit and convenience of individuals.

For this reason, we have adopted a policy that will eventually exclude private residential occupation of park land unless it is required by persons who provide services to the park and its visitors. No new uses of park land for summer homes, cottages, or permanent residence will be allowed unless it is clear that the permanent or temporary resident is providing some essential service to park visitors, or engaged in the administration, operation and protection of the national parks. Such improper occupation of park land by individuals as now exists will be eliminated gradually.

The over-all policy that we have adopted toward the national parks is aimed at achieving maximum public use and benefit consonant with the maximum conservation of the recreational resource. The growing use of the national parks by the public, the expanding demand for more outdoors recreation space that will serve both present and future generations, and the need to preserve with respect and in dignity all that expresses Canada's heritage demand a positive, clear and uniformly applicable policy.

The national parks policy of this government is intended to fulfil the aspirations the people of Canada have for their national parks. They have made it clear repeatedly that they are opposed to excessive commercial development and the types of use that make it difficult for the average family to enjoy a relaxing and restorative holiday amid natural surroundings. It is to the public of Canada as a whole that the national parks are dedicated, and it is to the public that the government is ultimately responsible for the

manner in which it manages the national parks.

As public property the national parks are worthy of the interest and attention of every citizen of Canada. All decisions affecting development by public or private enterprise in the parks must be governed by the national interest, and it is the national interest that our policy is intended to serve. Public understanding and support are necessary if the government is to continue its stewardship of the national parks under a policy that serves the national interest. I sincerely trust that not only every member of this committee will support in principle that policy we are following on the national parks, but also that every Canadian will assist in preserving his national heritage by understanding, responsible and appreciative use, and vigilance.

If hon. members desire to proceed with the debate on this particular item I would be entirely agreeable. I shall have a cup of coffee behind the curtains but I shall still be listening.

Mr. Herridge: Before the minister goes would he mind answering a question on the matter I raised? First of all I want to thank him for the information that it is now policy for park superintendents to entertain V.I.P.'s, but let me tell him that in the Arrow lake parks the residents entertained royalty a couple of weeks ago and did not have to thank the minister's officials for doing it. In answering the question I raised, would the minister also give me the dimensions of this house, the number of rooms and their size?

Mr. Laing: Yes.

Mr. Pascoe: Mr. Chairman, I have a few brief remarks to make on this item, but for the sake of more orderly discussion if there are members who wish to discuss the minister's statement on national park policy I would be agreeable to let them precede me, so long as the item does not pass before I have a chance to speak again.

Mr. Webb: I am sure the minister is aware of the closing down of the last uranium mines in the Bancroft area. I am also certain he and other members of the cabinet are aware of the statement made by the Prime Minister, when speaking to the Bancroft chamber of commerce, that one of the first duties of the government, and particularly of the Department of Industry, would be to study means of developing some assistance to help the economy in that area. It is because of this I would ask the minister and his department to consider the developing of a natural geographical asset, known as the Eagle Nest rock in Bancroft, as a park.

Several factors make this worthy of the minister's attention, both from the point of view of its value as a tourist attraction, and the practicability of its construction. The small park there, known as the York River park, is inadequate for the rapidly growing tourist industry of the region. Bancroft is the centre of a large and potentially rich tourist area, and I am certain that if the minister and his officials visited the area they would agree that this is a reasonable request and that an effort should be made to develop this natural tourist attraction centre.

The site is very accessible by two routes. The owners of the property are willing to sell it for this worth-while project. Recently the closing of the mines has insured an ample supply of labour in the area, and it is hardly necessary to suggest that the construction of such a park would be an important step in the readjustment of an area which has suffered from a slump in the mining industry.

I am also certain that such a project would reflect very favourably with the people of Bancroft, the district and the county as a whole. Before I take my seat I want to state that I am aware of the administration of parks in Ontario, but I would suggest that a generous contribution to such a project as I have outlined would be very helpful, would be appreciated, and would certainly coincide with the remarks made by the minister just a few minutes ago.

Mr. Southam: I am sure members of the committee were very interested to hear the minister's statement on new national parks policy. I agree with the principles outlined in that policy and I hope the minister will translate it into action at the earliest possible date.

If the minister has read previous debates on the estimates of his department he will know I have discussed the matter of national parks on previous occasions, and more particularly the development of another national park in Saskatchewan. The minister emphasized the terrific growth in the tourist industry, something I myself drew to the attention of this chamber on several previous occasions. In 1945 we had 1 million tourists and by 1963 this number has risen to 9½ million. Canada is a veritable gem as a tourist attraction, and tourists who have travelled the world have told me they can see in Canada everything that is to be found anywhere else.

The tourist industry is now our third largest. The wood pulp and paper industry is our biggest, and agricultural exports hold second place. Last year we derived something like $500 million tourist income and I anticipate that in 1967, with the Canada expo in Montreal, it is quite possible tourist income will reach the billion dollar mark. Therefore anything we can do to develop this industry will be of the greatest importance to the national economy. I place such emphasis upon this, that in the past I have suggested we should consider the possibility of reorganizing this Department of Northern Affairs and National Resources so as to have a minister, or at least a deputy minister, with special responsibility for assisting the tourist industry in this country.

I believe the department should consider the development of another park in Saskatchewan. We have 18 national parks in Canada now, five of which are in the province of Alberta. I can understand the preference for Alberta because of the natural beauty of that province. But because of the part national parks play in the drive for income from tourism I think it is time we should consider providing another park in Saskatchewan. The one we have, the Prince Albert national park, is a very beautiful one, but it is some 500 miles north of the southern boundary of the province. It is interesting to note that in western Montana, North Dakota and western Minnesota—states which lie to the south of the border—the terrain is prairie land, similar to the prairie land of central Saskatchewan; there is little vegetation and little parkland. A large population which appreciates the beauty of Canada lives in these areas and many of these people hie north during the summertime to take advantage of what parkland we have in Saskatchewan. We find there is an ever increasing demand by tourists from the areas of the United States I have mentioned and also from areas of Saskatchewan adjacent to the constituency of Moose Mountain in which I live. This demand is overtaxing the resources of the provincial park of Moose Mountain. I have suggested in the past that the department should take a look at this area, an area 25 miles long by about 12 miles wide, to see whether it could be developed as a national park. The present parkland area could be developed still further by reforestation—plantations of evergreens, and so on.

I know there are problems which are likely to arise in connection with such a development. In the first place, the province of Saskatchewan has been responsible for a beautiful development of the section known as Moose Mountain provincial park. Naturally, the provincial government would have to turn over this area free of encumbrance to the federal government. I did take this matter up with the provincial government several years ago. At that time the hon. member for Burnaby-Coquitlam was premier of the province. He seemed very interested in the project, or at least he led me to believe he was. I had an interview with the provincial minister of natural resources, Hon. Mr. Kuziak. He agreed with the principle of my suggestion and said it was worth looking into, but that is about as far as the matter got at that time.

There is another problem—the fact that the Indian reservation known as the White Bear reservation is situated in the southern part of this parkland area. The Indians, naturally, are jealous of their rights. On the other hand I believe they are well aware that anything by way of a national park development would lead to an improvement in their economy. At the present time they derive a great deal of benefit from tourists visiting the reservation from the Carlisle lake resort. I might say that in this mountainous area there are 11 or 12 lakes, three of major proportions —the Carlisle lake in the southern section, the Kenosee lake in the centre of the provincial park, and another, the Kennington, I believe it is called. So there are plenty of possibilities as far as the development of water recreation is concerned, and there would be no difficulty in providing for the beach areas which would need to be developed in national park. I think that any difficulty which might arise with the Indian population could be ironed out through the Indian affairs branch.

Another problem entering into this picture is that which arises because of the 99 year hay leases given to pioneer settlers in the early days in case of years of serious drought. One such year was 1961 when the possessors of these leases were allowed into the areas adjoining the Indian reserve to cut hay in marshes and sloughs. This privilege has, in times gone by, been of great importance when emergencies have arisen due to drought. But I believe this problem, too, could be overcome by compensatory measures.

Another problem arises because of the attitude of some of the pioneer settlers living around the lake shore of Carlisle lake. They are people who established their cottages many years ago. A large number of them are getting along in years. They like the privacy

and the quiet of the lake shore and are not enthusiastic about the prospects if the park is developed to a greater extent. However, the provincial government has already incorporated the village of Carlisle lake resort in order to develop, to some extent, the tourist potentiality in and around the lake, so I believe the animosity on the part of the village is gradually decreasing.

I mentioned the restriction of the geographical area as possibly presenting a difficulty. If the government saw fit to take it over as a single national park, I think the development of this area, 12 miles by 25 miles in extent, plus a concentrated planting of evergreens, with some Manitoba maple, would really enhance the attractiveness of the whole area. In the light of what the minister has said and in view of the statistics showing the increased demand for recreation facilities in parkland within reasonable proximity of centres of population, I think serious consideration should be given to the proposal I have outlined. Parents with young families do not like to travel 700 or 800 miles to a lakeshore if they can travel 200 miles or less. I think it is our responsibility to develop all the park areas we possibly can. I think it is an act of providence that we should have this beautiful parkland area of Moose Mountain centred in the southern plains of Saskatchewan.

It is surprising, right now, the number of tourists from the United States who are coming into this area clamouring for accommodation to such an extent that the provincial government finds the existing facilities overtaxed. I believe that if this matter was investigated the provincial government might be willing, and indeed glad, to co-operate with the federal government if they decided this project was feasible. With the heavy demand by the public for holiday facilities there are many places in Saskatchewan now, other than this area, that are clamouring for provincial development on not as large a scale as this, and the province might well divert some of the funds it has appropriated for further development of the Moose Mountain provincial park to some of these smaller projects, and spread the wealth, as it were, to other areas of Saskatchewan. Mr. Chairman, those are all the remarks I want to make as far as the development of a national park there is concerned.

I would now like to say a few words with regard to historic national monuments. During previous discussions under this particular item I have mentioned the possibility of an historic monument at Cannington manor. I refer to the old manor of Cannington north of the town of Manor, Saskatchewan. I might say that the provincial constituency of Cannington, in the province of Saskatchewan, was named after this landmark. This manor was developed back in the latter part of the eighteenth century and the turn of the nineteenth century. This manor house, or community, was organized and populated by a number of old country people. These people came from England, and the early settlers referred to this area as a wee bit of old England. When they set up the community there they built a very beautiful stone church, a beautiful school, and a three-storey manor house. They also built carriage houses, a blacksmith's shop, and they developed a racetrack. They even rode with the hounds. It was a real piece, as I say, of old England when it was in its heyday.

Some of these buildings are still in a relatively good state of preservation. I believe the school and church are still being used. But the manor house, due to its being such an old building, has fallen into a state of disrepair. It is in the centre of a beautiful piece of very rich farmland, but it is fenced off and is a little more isolated than people looking at it from a tourist attraction point of view like to see at the present time. The word has got around in that part of Saskatchewan, and in fact all over Canada, of this particular Cannington manor area and people at the present time during the summer season come down on highway No. 9 or through highway No. 16 and inquire of the people in the immediate area where they can get into this particular site. Visitors are coming to this area in quite large numbers, so much so that I believe the people occupying the land at the present time have had to put a lock on the gate in order to keep the tourists from over-running the buildings that are there and are not in a very good state of preservation.

I was very glad to notice in an article released by the provincial government three or four weeks ago that the premier of the province has recognized the significance of Cannington manor as an historic site and has allocated a certain amount of money for preserving some of the old foundations. This money has been allocated, not to repair or rebuild some of these buildings but at least to keep them in their present state of preservation. I was naturally very pleased to hear this, and the people in that particular area are very pleased about it. But I do not believe this is enough. I think the federal

government should reconsider this manor as an historic site, particularly if they decide that the park area I have mentioned could be developed as a national park. I believe that a certain appropriation should be made by the historic sites board to assist the provincial government to maintain, repair or restore the Cannington manor area. If it were properly exploited by advertising and publicity, I am sure it would be one of the chief tourist attractions in that part of Canada. I would like the federal government and the Department of Northern Affairs and National Resources to take these suggestions under consideration. I am sure that if they do, in the long run it will become the attraction I have suggested it could be.

Mr. Prittie: Mr. Chairman, I know that the hon. member for Moose Jaw-Lake Centre wishes to speak on another aspect of these estimates, and I shall not be very long in my remarks. I have only one complaint to make concerning the national parks, and I would join my colleague from Comox-Alberni in putting forward a complaint about the $2 charge. It is not a very great charge, and I know it applies in all parks. Nevertheless, I do not like the principle of charging a fee for admission to public parks of any type. Perhaps a case can be made out for charging campsite fees. That is a different matter, and these fees should be collected separately. But I simply do not like the idea of paying for entrance to public parks, whether they be municipal, provincial or federal.

I listened to the minister's statement on parks policy generally, and I liked it. I think he has the right approach. I will be interested in reading it later in greater detail. I was also interested in the minister's comments concerning the Wood Buffalo park in Alberta. He mentioned the possibility of giving up that park, provided other lands are given in return. The minister mentioned that public opinion in Canada is against giving up even one acre of parkland or reducing the total amount of parkland by even one acre. He is quite correct in his assessment of public opinion, I am sure, in this regard. Even though Wood Buffalo park may not be a very good one for tourist development, I would certainly urge the minister to retain it until the government can get something in return. If they do not get something in return, retain it anyway. I see nothing wrong with keeping certain sections of land in this country in their completely natural state as nature parks; there is no reason why every park has to be fully developed for tourist purposes. I think it is quite important in the whole scheme of things that certain areas should remain in their completely natural state.

[Mr. Southam.]

The minister said he would like to see another national park between the Pacific coast and Banff. I realize some efforts were made in this direction. It seems to me that about a year ago the minister, on behalf of the government, made an offer to the province of British Columbia that if the Garibaldi provincial park, which is very close to the coast, with magnificent mountain scenery, were turned over to the federal government free of encumbrance, quite a large amount of money would be spent on its development. The government of British Columbia has refused this offer, and the reason for the refusal is what disturbs me. The government of British Columbia and the government of Alberta are not against the idea of limited exploitation of provincial parks. I deplore this attitude. I prefer the conservative or, if you like, the conservationist approach, that the parks should be used for tourist purposes only, with no exploitation whatever. This trend on the part of the government of British Columbia and the government of Alberta is, I think, a disturbing one.

Recently the Canadian Olympics committee met to choose a site for the winter Olympics of 1972. I believe Banff was chosen. Garibaldi park was advanced by a committee in British Columbia, and it really would be a very good site. It is very close to the main centre of the population of the province and to the main centres of population in the northwest states. However, it was not selected. I do not think the government of British Columbia gave any assistance in this connection, because I feel that if the federal government had been able to acquire that park last year, when the offer was made and there was a commitment to spend a large amount of money, it might have had some influence on the choice of the site for the 1972 Olympics.

The policy enunciated by the minister generally seemed to be an excellent one. The possibilities in the future for the development of the national parks for the enjoyment of Canadians and for the amount of money they can earn by bringing in tourists is very great. Although I think I could find some fault in the details, in general I think at the present time the development policies of these parks are the right ones and are certainly preferable to the attitudes which are taken by some of the provincial governments.

Mr. Winch: Mr. Chairman, may I add a few words to those of the previous speaker. Coming from the city of Vancouver I am naturally most concerned with the development of the Garibaldi area. It has always been my understanding that the provincial government of British Columbia might be prepared to turn over Garibaldi to the federal government as a national park if they were allowed to withhold the right to natural resources findings and development, which I presume would be of a mineral character. In the last year in particular the provincial government has at long last been spending money developing access roads to Garibaldi and one company has been doing further development.

In view of the situation and the decision, which I imagine is conclusive, not to develop Garibaldi as a sports area within the next four years, could I ask the minister whether, in view of the most magnificent value of Garibaldi, in its being not only adjacent to Vancouver, Burnaby and New Westminster but also within an hour and a half drive from Seattle, Tacoma and Portland, there is a possibility of co-operation between the federal and provincial governments to develop what I am absolutely convinced would eventually become one of the most remarkable and fantastic recreational areas on the North American continent. Could I ask the minister whether there is a possibility of this type of planning, co-operation and development between the two governments?

Mr. Laing: Mr. Chairman, I think I could deal with the remarks of the last three speakers now, and I would ask the last two speakers to permit me to deal with the remarks of the hon. member for Moose Mountain first. He referred to a project at Cannington manor. I would advise him that it is now our information that this project has been adopted by the province of Saskatchewan as a centennial project, which would seem to take care of his representations in that regard. I might say that in connection with the discussions I have been having with the province of Alberta—and I give credit to the minister from Alberta, Mr. Willmore—I said to him that because this is a public matter and the public wants to know, it would be just as well if he and I had a public discussion before we met in October. I said to him certain things and he replied, giving the view of the province of Alberta. We had made representations both to the government of Alberta and to the government of Saskatchewan to the effect that we would be interested in developing the area known as the Cypress hills, which is in both Saskatchewan and Alberta. We have received a letter from the premier of the province of Saskatchewan informing us that he is most interested in this suggestion and part of the negotiations with the province of Alberta will be concerned with whether we can include the Cypress hills development. It is particularly distinctive. It is so distinctive that I am told the national museum has recently made it one of the objects of a new diorama there, depicting the particular type of territory, the animal habitat, and so on.

The hon. member for Burnaby-Richmond and the hon. member for Vancouver East have raised again our pet dream in the province of British Columbia. It has been my pet dream for a long time and I am certain would generate an enormous amount of visitor interest. It would provide winter sports unprecedented and unparalleled in Canada for the great population of greater Vancouver, and it would probably rehabilitate $2 million annual investment presently going into mount Baker. I would assure them both that we have not considered this by any means a dead issue. We have again been in touch with the minister of British Columbia, Hon. Mr. Kiernan, and told him that it is now our opinion, as a result of our most recent surveys, that we would not insist upon receiving all of Garibaldi park, instead probably 33 to 35 per cent of the area, including the specific northern area of Whistler mountain, I think it is, the Black Tusk area, which is a magnificent winter sports site, and also the most desirable parts of the summer range and a plateau of wild flowers in the summertime. We have not yet received a reply but I am fully aware that there is a very great desire, not only on the part of British Columbia but on the part of members of the provincial government as well, to do something in that respect. I can only assure these two hon. members that we will renew and redouble our efforts in this direction.

Mr. Winch: Mr. Chairman—

The Chairman: Does the hon. member wish to ask a question?

Mr. Winch: I desire to ask a question about Vancouver city itself, if that is permissible now. I appreciate this opportunity, and I am proud of the fact that I can now address this question to a minister of northern affairs who comes from the city of Vancouver. Without going into detail may I ask the minister whether or not he is prepared to give serious consideration to the development of New Brighton park in Vancouver as a national

historic site. This is a matter which I have raised in the House of Commons for many years. This park is the original establishment of the city of Vancouver, the third city of Canada, with the first hotel, first customs, first post office, first everything in British Columbia. The previous minister turned me down. I am asking whether or not the present minister from Vancouver will have this matter reinvestigated.

The second matter is this. Boundary road divides three ridings between Vancouver and Burnaby. They are my own riding of Vancouver East, the riding of the hon. member for Vancouver-Kingsway and the riding of the hon. minister, Vancouver South. The Boundary road area is the actual hub of the population of Vancouver, Burnaby and New Westminster. The park area on Boundary road, taking in the provincial girls industrial school land, the existing area along the site of the senior citizens home, which is municipal, right down to within half a block of the Grandview highway, is without doubt the finest and most magnificent location for a park recreational and athletic centre in the entire lower mainland, and I should like to ask the minister to consider seriously some assistance in the development of this area. If this development is to proceed as a centennial project it will require the co-operation of the federal government, perhaps through the physical fitness council, in the form of a grant. Whether or not the minister, who knows the area of Vancouver East, will admit it or not, this is one of the most deserving areas for this kind of a project, being almost the illegitimate child of Vancouver as far as the availability of recreational and athletic centres are concerned. As a Vancouver member, and as a cabinet minister, I hope he will lend his support to the development of this available area as a centennial project for recreational and athletic purposes. I hope the minister will make some comment in regard to this suggestion.

Mr. Laing: Mr. Chairman, I am not unfamiliar with the Brighton beach area and of its situation in respect of Vancouver, but the hon. member will recall that we are representing a city that is only 77 years of age, yet with its suburbs today it has almost a million people. We will do very well if we do the things that he has suggested, and make commitments in this regard for the preservation of as many of these historical spots as we can. We in British Columbia have as our representative on the national sites board Dr. Margaret Ormsby, and I am sure the hon. member will agree that we could not have a better person in this position. I certainly will see that this matter is referred to her, but we hesitate to give even a nudge in this regard, as the hon. member can rightly understand. If I can give half a nudge in this case I will do so.

Mr. Winch: You are referring now to the Brighton park, is that right?

Mr. Laing: Yes. I am not unfamiliar with the history of the hon. gentleman's riding. It was not so many years ago that my father owned 20 acres on the top of capital hill for which he traded a stud horse. After paying taxes for about eight or ten years he gave it up, letting it go for taxes. My hon. friend talks about an illegitimate child and I cannot agree with him at all. I was up around Wall street the other day and noticed some very splendid homes, with a tremendous view.

Mr. Winch: I am sorry, I said this area was an illegitimate child of Vancouver as far as parks and recreational facilities were concerned.

Mr. Laing: Of course I agree with him in that regard, but the hon. member only a few days ago received the agreement in respect of everything he has said of the mayor of the city of Vancouver—that Vancouver East had been neglected in the matter of parks. We are of course a federal administration, but as far as we possibly can we will work with the provincial and city parks authorities. This year we are contributing $20,000 to assist the development of the national-provincial parks association, which is doing a great deal and has a tremendous opportunity to combine the efforts of those people at the three government levels who are interested in the development of parks.

Mr. Winch: I should like to ask the minister one further question. Will the minister support a plan for a major recreational and athletic centre on Boundary road, which is the hub of the metropolitan area in the lower mainland?

Mr. Laing: We will certainly be interested in co-operating in every way possible within our sphere.

Mr. Rock: Mr. Chairman, it seems that all our national parks are located in either Alberta or British Columbia and I am wondering whether there is any land left for anything else.

I should like to know whether there is any intention on the part of the government

to convert the property in the Gatineau hills, which at this moment comes under the jurisdiction of the national capital commission, into a national park under the jurisdiction of the department of northern affairs. I firmly believe that the eastern part of Canada is lacking in national parks, and in view of the close proximity of that area to this capital city I believe it should be converted in that way in order that at least the people in central Canada may enjoy it.

I believe that certain navigable lakes, such as lake St. Louis and the lake of Two Mountains surrounding the island of Montreal, should be considered for development as national park area to accommodate yachts and other craft, as well as beach facilities. In this area there is a population of nearly two million, although there is not one national park. These people on week ends travel to the Plattsburgh area around lake Champlain in the United States to enjoy the park facilities there. I should like the minister to seriously consider these two lake areas I have mentioned for the development of national parks so that the people of the congested Montreal area may enjoy the recreational facilities that could be established there.

Mr. MacInnis: Mr. Chairman, I only rise at this time because of the absence of my colleague for Cape Breton North and Victoria who is at this time at home on other important business. I hope what I say is accurate because I have not had an opportunity to check it with the hon. member. Is the minister aware of the intention of his department to construct a clubhouse on the golf course at Cape Breton national park? I think that the need for a clubhouse is going to become most apparent very shortly. This golf course, the most beautiful in Canada, though some members may want to challenge that statement, is very much in need of such a clubhouse.

All hon. members are aware that in addition to the production by the C.B.C. this year the Shell Oil Company chose this course for one of its productions on their program "The Wonderful World of Golf". Without a doubt these programs will mean a tremendous boost to the tourist industry of Cape Breton. If the hon. member for Cape Breton North and Victoria were here I am quite sure he would have something to say about the proposed clubhouse which I understand was in the planning stage, but was later cancelled. With the tremendous publicity we expect from these two television programs which will be shown later this year, the need for a clubhouse will become most apparent and I would ask the minister to keep this in mind.

I would also ask the minister to try to encourage more rapid development of the Louisburg fortress project. It will mean a great deal to the tourist industry of Cape Breton and the speeding up of the project would be of great advantage to our part of the country. There are a few more arguments I would like to put forward, but having regard to the fact that the hon. member for Moose Jaw-Lake Centre yielded the floor for a moment about an hour ago and is probably still waiting to put his views on record I will not say any more at this time.

Mr. Kindt: Mr. Chairman, I should like to take this opportunity to ask the minister a few questions concerning the Akamina highway. As he comes from British Columbia I am sure he is familiar with this project which has been the subject of discussion not only by the present government but by the former government. I understand that the policy of both governments has been to stand behind the construction of the Akamina-Kishinena highway.

For the benefit of those who may not know where the proposed highway is located, may I say that it would start in the southwestern corner of Waterton lakes national park, extend into British Columbia about 18 miles and link up with another highway coming in from Montana. The governor of Montana and a posse of Montana officials came to Alberta some three years ago and meetings were held at Waterton Lakes to discuss the possibility of getting the governments concerned to construct this highway, which would be a tremendous asset to Waterton Lakes national park. It would permit people from the United States to make a circuit tour starting in Glacier national park in the United States and going through Waterton Lakes national park. If they desired to do so they could then visit other parts of western Canada.

The people of the United States immediately to the south of Waterton Lakes national park have asked our government to take action on this matter. Meetings have been called at the instigation particularly of the Waterton Lakes chamber of commerce. This organization, now headed by Mr. Craig, sponsored meetings as recently as the past summer to see if some action could not be obtained with regard to the construction of about one mile of the Akamina highway in Alberta and about 18 miles of the Kishinena highway in British Columbia.

I am sorry to say that the project has been held up because of certain federal-provincial snags. Let us get them out on the table and look at them. The federal appropriations which we are discussing today do not permit of the spending of any money for the construction of this highway and I can find no item in these estimates. No money appropriated by parliament for a highway under these estimates can be used to construct a highway or road outside of the boundaries of a national park.

If this highway is to be built, one way of doing it would be for the province of British Columbia to give a strip of land to the federal government. It would have to be possibly 160 feet wide and 18 miles long. A second solution would be for the provincial and federal governments to trade adjacent pieces of land which they now own. The province of British Columbia could give the federal government a piece of land in the southwestern corner of British Columbia so that it would then be federal territory, with the result that federal funds could be spent for the construction of the highway. In other words, the details with regard to who is to pay for the highway and how the project is to be worked out are still unresolved.

The result is that the people of Waterton Lakes and the people of the United States who have been co-operating with us so well are still wondering why the federal and provincial governments cannot get together and find a solution for the problem. I know the minister is fully cognizant of the problem and how serious the matter is to the people affected. I should like him to take this opportunity to explain to the people of Waterton Lakes and southern Alberta what is holding up the project. Why can he not get action on it?

I know that the former government sent representatives to Victoria and substantial progress was made, but I want to know from the present minister whether the project is in jeopardy. Has he given up on it? There is no item in the estimates to go forward with the project. I should like him to tell me, the Lethbridge chamber of commerce and the Waterton Lakes chamber of commerce, what the views of the government are and what plans he has for action to get the Akamina-Kishinena highway under way.

Mr. Laing: Mr. Chairman, I certainly get no satisfaction out of saying it is the fault of the other government, but we have made it very clear to the province of British Columbia that if they will turn over to us the Kishinena watershed, which is what we are discussing, free of all encumbrances it would then be our responsibility to see that the area was suitably developed. We would build the highway at once if that were done. However if the province should decide to construct its 18 miles of road we would at once find the funds to complete the one mile of road within Waterton Lakes national park. We have suggested to the government of the province of British Columbia that they turn over the watershed to us but they have not yet decided to do so.

As I say, I do not take any pleasure in saying it is somebody else's fault, but I want to assure the hon. member that we have done all we can to bring about action on this road. I was told in Lethbridge the other night of its importance not only to Waterton Lakes but to Lethbridge and the area as a whole, and I am quite certain that its importance to that area would be matched by its importance to the province of British Columbia if the road were completed.

I should like to respond to the statements of the hon. member for Jacques Cartier-Lasalle who pointed out that unfortunately there are no national parks in Quebec. We have had certain correspondence with Quebec and we have offered to co-operate in making surveys of certain areas. It has been suggested it might be a good thing if the Gatineau hills in Quebec were established as a national park, but I believe the Quebec department of resources would not think this would be an adequate area in which to create a national park. Quebec has a great number of very fine provincial parks, but I think there is now evidence that they would like to have a national park within the province because a great number of Quebec people travel to other parts of Canada, particularly to the maritimes.

I want to thank the hon. member for Cape Breton South for having, on behalf of the hon. member for Cape Breton North and Victoria, said something about the park in Cape Breton. I agree with him that this is one of the most beautiful parks in Canada. The Cabot trail is simply magnificent, and I agree with everything the hon. member said with respect to the golf course.

Plans were drawn two years ago for rebuilding the clubhouse, but they were withdrawn because it was decided certain adjustments were necessary to the course itself, and at that time attendance at the course hardly justified the investment that was proposed. I agree that the magnificent adver-

tising we received this summer, and which will be shown on television this winter, will attract more people there, and that we have to get a new clubhouse very quickly. While provision for it is not included in the estimates for 1964-65 I am quite certain it will be coming along very quickly.

The hon. member for Cape Breton South also dealt with Louisburg, and I may say the progress there has made me very unhappy. It is very difficult to combine the work of archaeologists and builders at the same time, because an archaeologist does not do what a builder does. A builder is supposed to put down foundations and an archaeologist is supposed to undermine them. This is a tremendous fort, extending over an enormous area, and until we get the detail that is required, by excavation, it will be impossible for us to restore any part of it in a veritable manner. I think the people of Canada would not wish us to build anything unless it were a genuine reproduction of what had existed previously. In the meantime, we have spent a considerable amount of money and have not got a great deal to show for it. We expect to have a great deal more to show next year when a lot of work will be done above ground.

I might mention that there were 90,000 visitors to Louisburg this year as against 23,000 last year. This, together with the tens of thousands of artifacts discovered, dating back to 1732, has been of tremendous benefit to the tourist business and hence to the economy of the area.

Mr. Pascoe: Mr. Chairman, I yielded the floor so that all speeches dealing with parks could appear consecutively in *Hansard,* and now I would like to discuss something else which it may be thought has only local application but actually is of general public interest and applies to a certain extent to parkland development and preservation.

The hon. member for Athabasca referred to whooping cranes. I would like to deal briefly with the perennial problem of sandhill cranes and the efforts of the government to help farmers protect their crops from excessive damage by these birds who feed on grain on their way south to their wintering grounds. The minister may recall that I raised this question last year, when he gave a very descriptive answer, saying they were going to bash these birds down in Texas before they started flying north. Apparently they did not bash enough of them because according to reports there are just as many birds this year as before.

I have not been home recently but I have read that for the first time in 47 years the authorities have declared an open season on the shooting of these birds. There was a ban on the shooting of them in other years, because of the danger of shooting whooping cranes, which occasionally come with these birds and land in the area around the north end of Last Mountain lake. I also understand from reports that daily checks are made to see if any danger has been caused to whooping cranes. The shooting season opened on September 1 and is to close tomorrow, September 19. I would like to know whether the minister can make any report on how this new policy of shooting sandhill cranes has worked out, and whether it will be continued, rather than reverting to the previous policy of using explosives to scare the birds off farm crops?

Last year I referred to the fact that there was a bird sanctuary established on the north end of Last Mountain lake. In fact this bird sanctuary was the first one established on the North American continent and was set up by the government of Sir John A. Macdonald in the 1890's. Last year I asked the minister what was the possibility of extending this sanctuary so that birds would flock into it and not bother farmers' crops so much. At that time he indicated his department was looking into the feasibility of extending the sanctuary, and I wonder if he has any statement on the progress made to date. I suggested it would be a good centennial project, and I still think so.

Dealing with whooping cranes, I wish to refer to a press release issued by the department on May 12, 1964, outlining what was called a co-operative Canadian-United States whooping crane management project. Announcement of this project was made jointly by the minister and by Stewart L. Udall, secretary of the United States department of the interior. It was indicated that under this new system of whooping crane management it might be possible to have an annual addition of 100 young whoopers to the total world population, which is now just around 32. The plan calls for a captive breeding stock of eight to ten birds being built up in the United States by incubating up to six eggs a year obtained by the Canadian wildlife service from the whooping crane nesting ground in Wood Buffalo park in the Northwest Territories. This is how I tie this in with the present estimates; there has been

a great deal of discussion about Wood Buffalo national park. I should like to ask the minister whether he has any information with regard to a possible build-up of the number of whooping cranes as a result of this project.

There is one other subject I should like to bring up. We have heard a great deal of discussion about buffalo. In Moose Jaw, Saskatchewan, we have a local park where there is a herd of buffalo roaming in their natural habitat, as they did before the white man came. This is a great tourist attraction. Every year a large number of visitors come to this park. A plan is on foot now to develop a modern zoo in conjunction with this buffalo herd, and I hope the minister will give some consideration to any application which may reach him from Moose Jaw for assistance in establishing a modern zoo as an additional attraction to this buffalo park.

Mr. Laing: In reply to the hon. member may I say we have had no reports about the incubation of whooping cranes. I know it takes 21 days for chickens to hatch; I do not know how long it takes a whooping crane. As to sandhill cranes, while we have sought the co-operation of the Americans we find we cannot instruct them to destroy sandhill cranes when the birds are down there; apparently it is not too much fun shooting them, because there seem to be more than ever this year. There has been a gradual rise in the numbers of these cranes and we are aware that unfortunately a great deal of damage has been done in several places in Saskatchewan.

I may say that the province has increased its contribution to Last Mountain lake area and have purchased more land for the protection of that particular sanctuary. In 1964 we agreed with the province that permits should be issued for the destruction of sandhill cranes, provided a competent biologist certified that no whooping cranes were in the vicinity at the time. I think this covers the point raised by the hon. member and I thank him for his intervention in the debate.

Mr. Roxburgh: I have no intention of taking up a lot of time. I should like to bring it to the attention of the minister—and I have spoken to him personally about this as well as to his parliamentary secretary—that centenary year is only a stone's throw away. I know the department has worked toward this. I just wanted in my small way to add a little more pressure to that project, and the project is this—that we should have a series of national parks right across Canada. I do not think any project carried out by a department of government would be of greater value to the generations coming along—to our grandsons and to their grandsons and granddaughters in the future. We are very fortunate today that we are able to go out and fish and see wildlife and take part in the shooting of it, if you want to say so. I think everyone recognizes that land in its natural state—and which not long ago we thought was so extensive that there was no need to worry about it—is fast disappearing.

I understand that the tourist industry is today ranking about second in Canada, bringing in about $600 million. Each year the importance of tourist revenue will become greater and it is obvious we must have facilities for our visitors as well as for ourselves. I would therefore like to impress upon the minister the need to make every effort to provide these facilities. I fully realize that this is not always easy, and that the department has to work with the various provincial governments. But I sincerely hope that the provinces, mindful of the needs of our people in the future, will in turn work together with the federal department of northern affairs so as to provide the parks that are needed.

Just one more thought. We have a number of parks which are not kept as they should be in respect to wildlife. I know there are enough places where we get sand kicked into our sandwiches and people spilling our coffee as they go by. We certainly do not want any more of them, though they have their place. I sincerely hope the department will see to it that there are always areas where no one will ever be allowed to build homes or put up commercial structures—areas left open for those who wish to explore, or paddle canoes or, if they happen to be in western Canada, pack their horses and wander freely among the beauties which this nation has to offer. I think we have a wonderful country and I think we should keep it. That is why I want to put these few thoughts on record.

Mr. Barnett: I feel it is very encouraging that such great interest has been shown in this question of parks today. I think it is just as well a number of speakers have intervened between my own observations and those of my colleagues from the Vancouver lower mainland area who spoke earlier, urging the minister to take action with regard to an area with which he is himself perfectly familiar. Perhaps he has been reminded by some of those who intervened that he is also minister of national resources.

I certainly do not wish to indicate that I do not share the enthusiasm of the minister and of my colleagues from Vancouver with regard to the potentialities of Garibaldi park. I intervene again in this discussion only because of a brief exchange between myself and the minister on the question of park potential on Vancouver island. I think the minister will agree that whoever was responsible years ago at the provincial level in British Columbia for setting aside Garibaldi, and Strathcona park on Vancouver island, as park areas should be commended for his wisdom and foresight.

There seemed to be some confusion in the minister's mind as to just what area I was referring to when I suggested Vancouver island area. I think perhaps I should attempt to explain briefly my own conception of what might happen on Vancouver island. Strathcona provincial park was set aside in many thousands of acres in the very heartland of Vancouver island, with an eastern boundary that was set by the line of the original Esquimalt and Nanaimo railway land grant, and represents perhaps the most rugged and beautiful section of Vancouver island. Adjacent to that, but outside the boundary of the park is what is known as the Forbidden Plateau area in the vicinity of Courtenay in the Comox valley.

As the minister may know, there is a growing interest on the part of people on the west coast of Vancouver island in the development of a marine park on a large scale. As I see it, there exists the possibility for the development of a very major wilderness park area which would embrace some of the most beautiful mountain and seashore area to be found in Canada. There certainly is a growing interest and a growing concern among the residents of Vancouver island that action be taken toward a development of this kind, a development which would be completely in keeping with the policy for national parks which was outlined earlier to us by the minister.

I have been explaining to people on a number of occasions what the minister has said many times in this house, namely that the initiative in this matter must come from the provincial authorities of British Columbia. I have suggested to those who are particularly interested that they should seek to initiate an interest on the part of the provincial authorities in this matter. For some reason the government of the province of British Columbia up until now has certainly not displayed any great interest in the idea of national parks development in the coastal areas of the province. This to me is a matter of personal regret. It is not that I would suggest for a moment that in the minds of those who are responsible for parks administration in the province of British Columbia there is not a proper concern for the maintenance and development of the wilderness park idea; nevertheless, the fact remains that there is increasing pressure for the exploitation commercially of the particular heartland of Vancouver island which is included within the boundaries of the present Strathcona park.

I feel the time has come when there should be a reassessment and reappraisal of those boundaries so that a certain area which might be less desirable might be turned over to normal commercial development, but certain areas such as the Forbidden Plateau area and some of the seashore areas on the western coast of Vancouver island might be incorporated within the redrawn boundaries of a park. I believe that this natural wilderness heritage could be best preserved and protected if it were turned over to the national parks administration. I think it has been recognized that because it is a national administration with concern for our national heritage as a whole, it is therefore less vulnerable to the kind of pressures for commercial exploitation which can be put from time to time upon provincial governments.

I believe that the minister should be equally interested in the preservation of this area of Vancouver island as he has already indicated he is interested in the preservation of at least the best parts of the present provincial Garibaldi park. I should point out, for the benefit of members of the house who may not be familiar with the area, that this is a mountain area where mountains rise to the height of between 6,000 and 8,000 feet. There happens to be within it what I believe is the highest waterfall in Canada. I refer to Della falls, which drops some 1,443 feet from its mountain elevation down toward the drainage basin of Great Central lake. In the light of the general interest that has been shown today in the question of our national parks, and in the light of the statement the minister has made concerning parks policy, I wanted to put on the record as briefly as I could my own views in connection with the potentialities of this part of Vancouver island.

While I am on my feet, Mr. Chairman, in view of the remarks that have been made about the growth of our population and the increasing need to think of not only today but of tomorrow, and possibly of a century

or more that lies ahead, I would like also to draw to the attention of the minister and the house the potentialities that lie within the large area of the mainland in the northeastern part of my constituency. Most people think of Comox-Alberni as being a Vancouver island constituency. Actually, however, in the number of acres there is probably as much of it on the mainland of the province of British Columbia as there is on Vancouver Island. In this almost unknown northeastern corner of Comox-Alberni lies the main mountain mass of the coast range of British Columbia. Within its area we have what in the days of my youth was known as Mystery mountain, which was explored by the Mundays who were mountaineers and with whom I am sure the minister is quite familiar. This is now known as mount Waddington, named after one of the early railway surveyors. This is a mountain that is higher than mount Robson.

There lie within this area icefields that are known to be much greater in extent than the more well known Columbia icefields in the Rocky mountains. I am not suggesting this is an area—because it is inaccessible at the present time—that should be the subject matter of any immediate plan for development, but I am suggesting that the people who are concerned with long range planning for the future and the preservation of wilderness areas in this country of ours should not overlook this tremendous wilderness area which now remains virtually untouched by man, except on some of its fringes along the coast line. I felt that in view of the line the discussion has taken I would like to take advantage of this particular opportunity, when we have had what to my mind has been a most facinating discussion on the question of parks, with contributions from hon. members from all across this country, to point out what I consider to be some of our richest potential heritage in this field, which happens to lie within my own constituency.

Mr. Laing: Mr. Chairman, I can tell the hon. member that his remarks with regard to our province of unsurpassed beauty will be taken due note of, as will be his references to those areas of Vancouver island. While I am on my feet I should like to express my thanks to the hon. member for Norfolk. I think no member of the House of Commons has contributed more to Canada's standing in amateur sport or our admiration or appreciation of the outdoors than he. The hon. member made a plea that I think has probably been repeated in a number of places in the house today, namely for a wider Canadian appreciation of these assets with which we are dealing. I think that both the hon. member for Norfolk and the hon. member who has just spoken are making a plea more to our provincial and civic governments than to us. I remind them again that we are prepared, wherever a province provides this property free of encumbrance, to ask this House of Commons for the funds necessary for its development. I am quite certain that in the present mood of this house, representing the people of Canada, those funds would be forthcoming.

Item agreed to.

National museum of Canada—

25. Administration, operation and maintenance, $1,489,600.

Mr. Herridge: Mr. Chairman, this is an interesting vote on which there was quite a discussion last time. Would the minister give the committee some information as to what has happened to the reorganization of the museum and its administration?

Mr. Laing: We have already assured the committee that this matter will be dealt with in the estimates of the Secretary of State. It has been decided to turn the museum over to the Secretary of State. The legislation to take care of this matter is not yet before the house.

Mr. Churchill: Is this item then to be carried in his estimates or in the minister's?

Mr. Laing: It will be carried in his estimates under transferred duties.

Mr. Churchill: Then we stand this item now?

Mr. Laing: Yes.

The Acting Chairman (Mr. Dubé): Shall the item carry?

Mr. Churchill: Well, I understood we were standing item 25. Is that not right? If this matter is to be transferred to the Secretary of State it would only be open for discussion when his estimates come up.

The Acting Chairman (Mr. Dubé): Is it agreed that item 25 stands?

Some hon. Members: Agreed.

Item stands.

Water resources—

30. Administration, operation and maintenance including Canada's share of the expenses of the international executive council, world power conference, and authority to make recoverable advances

in amounts not exceeding in the aggregate the amount of the shares of the province of Manitoba and of the province of Ontario of the cost of regulating the levels of lake of the Woods and lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $2,097,200.

Mr. Rynard: Mr. Chairman, I should like to make a few remarks on our water resources. Canada has the largest bodies of fresh water in the world. We also have a great source of supply from the great lakes which is extremely important to industry, recreation and sanitary facilities. Industries and populations have settled in the great lakes area and this has created the problem of getting rid of the waste from industries as well as disposing of sewage. The international joint commission was formed, I believe, around 1910 and along with the provinces, states and municipalities has done a reasonably good job over the years. But this great resource of water is gradually being lost. I realize this matter has been referred to previously. It affects the province of Ontario and the province of Quebec as well as the states of Illinois, Michigan, Wisconsin, Ohio, New York, both directly and indirectly. It also affects the prairie provinces, in an indirect way.

At the present time the water levels are the lowest in 100 years, and while some people say that precipitation will bring some or all of it back I think that is foolish thinking. Anyone who looks at this situation will realize that today far more water is being used by industry, agriculture and the population in general, and it is ridiculous to say that precipitation will restore what is used, when it is being used far faster than in other years. To my mind precipitation only meets part of the problem.

It has been suggested that a committee of this house be set up to consider the matter but I think probably that is not good enough. This is an international affair and should be considered on an international basis rather than just by a committee of this house. It is not only a federal concern but provincial and international as well. Every avenue must be investigated. I think as far as the provinces and the federal government go they can deal with the tributaries and the water which runs into the great lakes. But when it comes to controlling the great lakes themselves, a committee appointed by this house would not be able to deal with that problem. If a committee is set up I would suggest to the minister that representatives from the provinces and the United States government sit in on the committee; otherwise the committee could not deal with the matter fully and do the work it should do as quickly as it should. First one reference and then another reference would be made until the matter reached the international just commission; at least that is the way I feel about it.

There are a few things we do know in this connection. I think we have controls on lake Superior—this may be rehashing matters which have been gone over before, but I think it worth recalling—and on lake Ontario, but broadly speaking we have no controls on lake Huron, lake Erie, or lake Michigan. Therefore any rise in the level of lake Superior would be very quickly dissipated in the vast reservoirs of lake Huron and lake Erie. As a matter of fact I think the minister prepared a paper on this subject for his parliamentary secretary which stated that in three years only 50 per cent of the water in lake Superior would get down to the port of Montreal.

There are certain facts which stand out here. If the control of water going out of the port of Montreal could be controlled by dam and lock, as it is partly controlled now in one branch of the river by stones piled across it as a stopper, we would find the run-off would be partly contained. I have reviewed this matter at some length and I cannot see any reason why it should not be done. I think the same efforts put in on lake Ontario and lake Huron would control water run-off, and if that water run-off were controlled I am sure there would be lots of time to investigate the other possibility of the grand canal project and other projects. I do not think there is much time on hand at present because in my area the water level this year was down very drastically, some said as much as five to six feet. This loss of water represented a great economic loss to the people running tourist establishments. One of the reasons the water was down this year was that not only was the water situation itself bad, but all of the frightening things said about it here and there which appeared in the press and elsewhere had an adverse effect too. I do not want to see this happen again next year. I want to see this problem well on the way to being solved before the next tourist season comes along. I want to see something definite done so that people can say we are working on the matter.

I would go further and ask the minister to ask the Minister of Transport, who from what he said last night is very sympathetic, to get busy and do a little more dredging, as a helpful measure. The minister is aware of

the tremendous need for dredging in those areas. Many of the boats coming into these ports must carry smaller than capacity loads, and many cannot get into the marinas. As a result of this situation there is a great economic loss not only to the immediate area but as well to the heart of western Canada in respect of the freight carried by those boats on the great lakes which is destined for western Canada.

I know the minister is working, and studying this situation in an attempt to find a solution, but I do not think we have as yet grasped the urgency of this problem in this house. It is urgent because of the number of people concerned who have invested all their money in tourist resorts business in this area.

I leave those suggestions with the minister who I am sure has listened sympathetically to what I have said on behalf of my constituents who live on the great lakes.

Mr. Herridge: Mr. Chairman, I am very interested in participating in the discussion of these estimates because they provide for water resources. I am speaking on behalf of a party which has been interested in the conservation and development of natural resources both on a federal and provincial scale ever since its formation. I have also put forward a federal-provincial program in this house repeatedly throughout the years urging the government to take action on some aspect of conservation of our resources whether lands, forests or waters. On behalf of the party I have moved a resolution in this house for a number of years urging a national-provincial conference to consider a national resources policy. I give credit to the hon. member for Qu'Appelle who, when the former government was in power took action which resulted in the conference held in Montreal, and the formation of the council of resources ministers. I think this was made easier for the government on that occasion, because prior to that the premier of Quebec had not been in favour of this program, and since Mr. Lesage became premier he has shown a willingness to consider such a conference.

Arising from that action, as I have said, was the establishment of the council of resource ministers who I think are going forward with this problem in the right way although very slowly, and I acknowledge all the difficulties there are in respect of ten provinces agreeing to an agenda and a procedure for an investigation of the development of any of our resources.

Today I wish to draw particular attention to the need for a national water policy and I know the minister is very interested in this subject. This is a subject in which I have been interested, as have my colleagues, for a good many years. I remember when we first brought this subject to the attention of the house in 1945, 1946 and 1947 at which time we were considered to be rather visionary in some respects. I remember the interest taken in respect of the question of conservation and development of our renewable resources immediately following the second world war, and the representations that were made to the government through members of the House of Commons by the Canadian federation of agriculture, trade union organizations located at various places in Canada, chambers of commerce and by numerous community groups, as well as scientific organizations such as the agricultural institute of Canada.

One resolution that was adopted and endorsed by some six of this type of organization, at a meeting of the Canadian Chamber of Commerce, reads as follows:

> Business and community interests in soil, forest, water conservation and land use are reflected in the chamber's policy declarations on agriculture and natural resources. In these declarations the chamber:—
>
> (a) Says loss of soil fertility, and erosion by wind and water are among the most important problems facing agriculture.
>
> (b) Urges government and business to extend educational programs on forest fire prevention, value and necessity of reforestation, and
>
> (c) Asks for national policy for control and development of nation's water resources.

Almost identical resolutions were adopted by various organizations including labour organizations from the prairie provinces which were particularly interested in the development of a water policy which would provide water for irrigation and other consumptive uses in the prairie provinces. At that time some of these representations and proposals were considered to be somewhat visionary. We hear that the same sort of suggestion today, that we should wait for 10, 15 or 20 years, but the problem grows more acute throughout the years.

I remember in 1954 speaking on this subject. I had moved for a number of years urging a federal-provincial conference on resources, and I recall that hon. members of all parties supported the principles of the resolution and the proposals. I remember particularly former prime minister St. Laurent stating that he supported the principles and admitted

that mistakes had been made here and there in the past. Prime minister St. Laurent said that on the over-all picture we were not doing too badly and that a good healthy warning had been sounded in respect of the depletion of Canada's resources, but that this should not induce too deep pessimism. As a matter of fact, the prime minister in my opinion was far too optimistic. We have done very little since that time and in some respects we have done some things to which I have taken strong exception, and of which there is growing awareness in this country.

I am very interested in the development of a national water policy, and have been following the minister's statements in this respect in this house, as well as statements made by his parliamentary secretary and other prominent members on the government side. I think it is about time that this government announced to the people of Canada a national water policy, indicating its immediate and long term objectives.

Recently I read a release of a speech made by Mr. John A. Turner, M.P., before the water level seminar sponsored by the Montreal port council at the Windsor hotel on June 30, 1964. There is quite a lot of good material in this speech. Quoting from page 2 Mr. Turner says:

> It must be clear to all of us that the development of a national water management policy is a priority which must occupy us for the next generation. I want to say to you at the outset that Canada has had such a policy for many years but that, to my mind, it must be revised and sharpened.

While I agree with Mr. Turner's remarks in respect of the need for the development of a national water management policy, I cannot agree with his suggestion that we have had such a policy for many years and that it just needs to be revised and sharpened. I do not think we have had an over-all national water policy in any sense of the word, and certainly a great deal more has to be done than just revising and sharpening the policy we are supposed to have.

Later I read a news report of a speech by the parliamentary secretary to the minister made, I think, as proxy for the minister. The report is to be found in the *Gazette* of Saturday, September 12, and it is headed "Canada's Water Going Down the Drain?" I agree that it will be going down the Columbia pretty soon at a fast rate.

An hon. Member: It has been for many years.

Mr. Herridge: That is right, and we should do something to conserve some of it for ourselves. I am more interested in the needs of Alberta farmers apparently than is the leader of the Social Credit party. I presume this is a fairly factual report of the parliamentary secretary's speech. I took it for granted that it reflected the minister's approach and I was very pleased to read some of these observations. I am going to put some of them on the record so we will have them there for the future. Here is what it says:

> The price which the public pays for confused policies, haphazard programs and ill planned projects is staggering.

I agree with that. Then it goes on to say:

> It is paid in the form of: Floods, causing immense property damage, which could have been better controlled in many cases, avoided altogether in others.

That is quite correct.

> Shipping, stranded or wrecked on a nation's waterways.

Another accurate statement.

> The depletion, often to perilously low levels, of those secure supplies of fresh drinking water without which great cities cannot exist.

In my opinion that is an accurate statement.

> The virtual destruction of once great commercial fisheries.

There is a lot of truth in that.

> A pollution problem that is only beginning to be faced.

Mind you, this question has been dealt with in the house frequently since the end of the second world war. Yet it is admitted by the minister himself that we are only beginning to face the problem. The article continues:

> Calamitously low water levels in great inland harbours built to accommodate the world's shipping.

The previous speaker dealt with that question and he is more informed than I am as to the need in this respect. It is obvious that this is one of the problems we face.

> Abbreviated navigation seasons attributable to a hit and miss attack on Canada's winter ice problems.
>
> An acute shortage of water for irrigation and other purposes in farm areas.

You should not think so from the way we have disposed of our water to the United States over long periods of time.

> Spoilage of increasingly important recreational areas due to pollution or shortsighted drainage.

That is an increasing problem in eastern Canada and it is one that is beginning to raise its ugly head in some of our western river basins. It is one that is causing some concern to my constituents with respect to

the Kootenay and Columbia rivers where some pollution has commenced. This problem cannot be solved by any small municipality or village affected, or by a provincial government and these villages. It will require a national water policy that will provide for the co-operation of all these levels of government if we are going to tackle this problem in the immediate future, and successfully.

The construction of costly public works which need not have been built at all or which have been planned so inadequately that they make necessary other remedial and expensive public works.

That has to do with river protection, breakwaters and things of that sort, and it is quite an acknowledgement after 22 years of Liberal rule and Liberal planning.

A costly and improvident contest for available water by the various classes of users—farmers, commercial fishermen, power companies, industry, lumber companies, transportation interests, governments and the general public—with scant regard for the modern concept of water as a multi-use resource to be handled for the benefit of all.

How true. The article continues:

A dangerous tendency to allow Canadian water resources to be diverted outside our borders on a first come first served basis, before Canada's own future requirements have been studied, let alone assured.

I am sure all members of this group will agree with that contention and observation. Then the parliamentary secretary went on to say:

Water remains Canada's most important natural resource. It is a resource which has always seemed plentiful and about which we Canadians have devoted altogether too little attention, except at times of crisis—flood or drought.

Then he goes on to deal with the various problems that face us in this respect. He deals with the various authorities that are involved, and I agree that it is an excellent analysis of the situation. He outlines all the various departments that have something to say about the administration of our water resources, and they are too many to mention. There are some two or three dozen at least. Then he goes on to say:

Even those agencies which come under a single department jostle one another for pride of place in the sprawling federal bureaucracy and a bigger share of the departmental budget. They compete for the right to direct departmental thinking about water resources along the lines most advantageous to themselves.

Rival agencies from different departments behave on occasion in a less inhibited fashion, squabbling over methods and objectives, denouncing one another's reports and plans, purloining key personnel, blocking or stalling important projects assigned to other agencies in the hope that time may produce a beneficial change. This buccaneering approach to the nation's water problems is not universal. It is, however, all too common.

The jungle-like atmosphere which prevails in the water resource field is attributable less to the agencies themselves than to the unsystem-like system under which they are required to perform. Operating under the watchful eye of no single department, acknowledging the over-all authority of no single minister, exposed to no coherent policy, the agencies are scarcely encouraged to work together co-ordinating their efforts. With authority fragmented from top to bottom the ordinary decision making machinery is short circuited. The consequences are serious.

Then he goes on to deal with a number of consequences of this fragmentation of administration. I am very glad to see that brought out in the open because the members of this group have dealt with that aspect of the question while not being as well or as fully informed as the parliamentary secretary. This is a problem that has to be faced if we are going to deal with it successfully and give effect to a national water policy.

In view of this speech by the parliamentary secretary I trust this is the line along which the minister is thinking. We are very glad to see this because first of all we must have a purpose and objective, we have got to have a policy and then we must have an administration that can give it effect instead of having our water resources dealt with by so many agencies. I have had several experiences in my own constituency where the conflict between various departments with some limited jurisdiction over certain aspects of our water problems was very obvious. That is that.

I was also very pleased to note that there are others who are concerned about this matter. The Kingston *Whig-Standard* of Tuesday, September 15 last contained a very interesting editorial which I wish to bring to the minister's attention because I trust it will stiffen his back so that he will stand up for Canada in the days ahead. It is entitled "The Columbia Money Game", and the last paragraph reads in part as follows:

The real winners—as we predicted years ago—are the successful Americans who talked this country into handing over those sovereign rights for a paltry few million dollars—

Mr. Byrne: Order.

Mr. Herridge: I continue:

—which have not left the U.S.—and Premier Bennett, who can hardly wait to start collecting his 5 per cent.

The hon. member for Kootenay East does not like to be reminded about this but I could not resist mentioning—

Mr. Byrne: Out of order.

Mr. Herridge: —the observations of this very intelligent editorial writer. I read the report of the excellent speech of the minister's parliamentary secretary and I thought that we were on the road to a policy. Then I got a manuscript of a speech delivered by the hon. member for Coast-Capilano, parliamentary secretary to the Prime Minister. It was entitled "The Great Northern Water Plan", and was a luncheon address delivered at the 52nd general conference of the Pacific northwest trade association at Prince George, B.C. on September 14, 1964. Possibly the parliamentary secretary was affected by the spirit and mood of the gathering, because a great number of the people in attendance at this luncheon were United States businessmen interested in the development of Washington, Oregon, Montana, Idaho and other states in the northwest.

I forgot to mention that while I was very critical in previous statements—at least I asked certain questions previously with respect to the superintendent in one of the minister's parks, at the request of some of his friends—I do want to emphasize the fact that, with the exception of two former deputy ministers who are widely condemned, and not including Major General Young, who is a real man, I have heard nothing but commendation for the officials of the minister's department, and I was very sorry the estimates for national parks were passed without some reference to the good work being done by the wildlife branch.

I judge the parliamentary secretary's speech was delivered on the basis of the recently announced policy of Premier Bennett in B.C., and to meet the feelings of the persons who were listening. I want to quote some paragraphs from his speech and contrast them with the speech I previously quoted. He began:

> Mr. Chairman, ladies and gentlemen—

I can imagine the young man standing up and saying that.

> Today I want to talk about water. I want to talk about water resource development on a grand scale. I also want you to look ahead 50 or even 100 years. By then, we will be diverting our northern rivers southward. Advancing technology will help us to skim off their flood waters in order to meet the urgent requirements of people who live in the south.

Is this not what we were foretelling when Premier Bennett proposed taking over the Yukon and the Northwest Territories, and when some hydro officials in B.C. are looking forward to the development of the various rivers in the north? He went on:

> Man's inventiveness is, no doubt, our greatest resource. It is turning mountains of granite into fuel for our atomic furnaces. It is erasing the fear from our minds that mankind will ultimately run out of energy. It is putting more food on our tables. So mass starvation is no longer the spectre that it once was.

Replying to questions in the committee on external affairs the Secretary of State for External Affairs said that regardless of the foreign aid given by Canada and other countries, to India and similar countries, the gap between their standard of living and ours was still widening. But here the parliamentary secretary to the Prime Minister talks about—

> —erasing the fear from our minds that mankind will ultimately run out of energy. It is putting more food on our tables—

—and so on. He continued:

> Even the metals are becoming cheaper to produce with each passing decade. So why worry, unduly, about water? It, too, can be used over and over again or drawn from alternative sources to meet our expanding needs.

I want to draw the minister's attention to the conflict in philosophy between his speech and the one given by the parliamentary secretary to the Prime Minister. Mind you, we are used to him shifting his ground on occasion. He was very critical of the Columbia river treaty during the election. Later he supported it then he disappeared from the house when the vote was taken. One can ask, where does he stand? At page 4 of his speech he said:

> Nor do I under-rate the difficulties of repatriating our water supplies. Once committed, we may never be able to terminate exports of certain Canadian waters to the United States. We must face this prospect and face it head on. Treaty arrangements will be necessary. They must be spelled out in the clearest possible terms. Otherwise we will be involved in misunderstandings which will be harmful to our international relations for generations to come.
>
> As a North American I cannot, however, ignore the fact that the demand for water is rising and rising rapidly. We are told by your federal experts—

And this indicates he was talking to a United States audience.

> —that U.S. requirements will have risen fourfold between now and the end of the century. Billions of dollars will have to be spent on water diversion and water recovery projects of one kind or another....You, in other words, will be prepared to pay and pay heavily for new sources of supply.

You see—buy Canadian water.

> Under these circumstances, we in Canada, are unlikely to let our great northern rivers flow forever and without interruption to the sea.
>
> What should we be going now? I suggest we should be already thinking in terms of a great

northern water plan. Its concept is simple. Its execution, I believe, is inevitable. In effect, we will be turning our northern rivers around. Some part of their flood waters will be diverted southward—southward and eastward—to meet the more urgent needs of Canadians and Americans in the big cities and towns whose growth would otherwise be hindered for lack of this vital, life giving resource.

Think, if you will, of a great continental water plan. Project your mind ahead to the time when the consumptive uses of water—irrigation, domestic and industrial—have become even more important than the generation of hydroelectric power.

I just want to quote another paragraph or two which appeared to me most interesting. Toward the end of his address he said:

There is only one place for the water to come from; that is the north. The flood crests of our northern rivers perform no useful function at the present time. They can, and I believe eventually will, be skimmed off and directed to the regions of greatest need.

Engineering studies are required. Means of financing must be explored. And finally a treaty or treaties may have to be negotiated between Canada and the United States.

Here he is suggesting a treaty should be negotiated between Canada and the United States before he is even thinking of ways and means of getting this water out to the people in B.C. who require it to the Okanagan, and to the people who require it on the prairies and in other parts of the country. He went on:

All of this will take time. But we must start somewhere. I therefore urge that more of us turn our eyes northward; that we plan against a background which is essentially continental in scope.

Not Canadian in scope, mind you—continental in scope; and this fits completely into the ideas advanced by some of these people in the United States in recent weeks in regard to the continental development of water. It is all right to have a continental scope so long as our government makes certain that all future requirements of water by the Canadian people, requirements for all its various consumptive purposes, are protected and met. That is the first consideration and until we have done that we are not in a position to deal with any other nation in respect to the sale of surplus water. I suggest the minister has a better approach to this problem than the parliamentary secretary, who went on to say:

An exchange scheme linking Alaska with the United States has a great deal to recommend it. Canada, besides providing a land bridge joining Alaska with the other states, may also be able to dispose of some of its cyclical water surplus for lump sum payments made in advance to cover the work involved.

This is the Columbia river treaty over again—we will give you some money to build the dams so long as you sell us all the water we require in the future.

[Mr. Herridge.]

The entire plan may take decades to put into effect. Certain projects—elements of an over-all plan—may however be completed in your lifetime and mine.

Then he went on to deal with the Parsons plan and said:

I know that Washington has launched various investigations, several of which look to the possibility of importing water from Canada. The Parsons plan (known also as the North American water and power alliance) is now before the U.S. senate committee on public works. The question of low water levels on the great lakes has been turned over to the international joint commission.

Then he went on to deal with the necessity for planning and so on.

There is no doubt about it, there is a conflict of philosophy between the minister's approach to this question and the approach taken by the parliamentary secretary to the Prime Minister. I have drawn this matter to the attention of the minister and of the committee because of the great concern we feel about it. We are not opposed to co-operation with other countries as long as it is on a basis of equity, as long as the Canadian government protects, first of all, the needs of this and future generations with regard to water for irrigation and other consumptive purposes, and any other needs which may develop. Water, as the minister himself said a week or two ago, has become our most valuable national resource.

On behalf of the members of this party I urge the minister to develop a national water policy in co-operation with the provincial governments so as to provide Canadian water for Canadian soil, Canadian water for Canadian power requirements, Canadian water for all other consumptive purposes. In doing so he will provide jobs for Canadians not only in the limited period of the construction of dams but for generations to come.

Item agreed to.

40. Contributions to the provinces toward the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the provinces, $8,950,000.

Mr. MacLean (Queens): I wonder whether the minister would give us an outline of the agreements which are in force at the present time with the provinces under this program. I am of course interested chiefly in my own province, if an agreement exists.

Mr. Laing: Under the Canada Water Conservation Act we have at the present time agreements covering the upper Thames, On-

tario, at an estimated cost of $9,640,000. This is the federal contribution only. Then there is the Parkhill project in Ontario at an estimated cost of $825,600; metropolitan Toronto and region, a project involving dams and reservoirs for flood control on the Humber and Don rivers and Black creek at an estimated cost of $24 million—that is the total cost. Our contribution is 37½ per cent.

I would have to draw the hon. member's attention to the presence of agreements under special authority concerning the Winnipeg floodway which involves a total anticipated expenditure of $84 million. I am informed that two thirds of the cost of the excavation work will be paid by the federal government, and 37½ per cent of the balance. I think the principal cost will be incurred in the movement of earth. The federal contribution will therefore exceed 58 per cent of the total cost.

Mr. MacLean (Queens): In addition to these projects, are any negotiations under way at the present time for further agreements with any other province in respect of programs to be carried out during the next fiscal year? If so, can the minister indicate which provinces have made applications? I am not speaking of course about proposals which have already been rejected.

Mr. Laing: The provisions of the Canada Water Conservation Act are, of course, available to all the provinces. As I have said in certain parts of Canada, I cannot put up an advertisement saying: We have money, come and get it. The use of this act appears to have been largely restricted to Ontario, and indeed to metropolitan Toronto. I wish to pay a tribute to Dr. Lord who is chairman of the appropriate organization in metropolitan Toronto, an outstanding engineer who is doing, in my view, a tremendous public service by accepting the chairmanship of the board. He is leaving a great monument behind him in that area. Within ten or 12 miles of the centre of that great city they are providing park lands and areas for recreation which are unprecedented anywhere. However this legislation is available to other provinces, and I understand we are now about to receive an application from the province of British Columbia in respect to the north shore where some flood damage has occurred. I believe British Columbia will apply for assistance in raising the levels of the dikes in the Fraser valley to the extent of about $4.9 million in all. They have indicated they would prefer to use the act also in stage 2 of the plan for protection against flooding in the Fraser valley, which will be the building of dams in the upper reaches of the tributaries of the Fraser. We have not yet agreed with participation in this area. There is a provision in the act that where electric power is incidentally produced the federal contribution will be reduced having regard to that power generation.

The act we are considering seems to have been of tremendous benefit to those who have used it. I think there are other areas in Canada where it could be used to great advantage. But, as I say, there are some people who do not know of its existence.

Mr. MacLean (Queens): I know the minister cannot advertise to the provinces that there is money available under this legislation, so I was trying to do a little advertising on his behalf. This is an act which I think has a great potential. It can be used to a far greater extent than it has been used since it was passed by this parliament a good many years ago—I have forgotten how many years, but I think it was at least ten years ago. I think the provinces are now realizing the necessity for doing more water conservation work and I hope that in the future the growth of activity under this legislation will be considerable.

Mr. Barnett: Mr. Chairman, without asking the minister to go into any detail on the subject I should like to inquire whether any application has been received or whether any negotiations are under way at the present time between his department and British Columbia in respect of any other project under this act, in addition to the one to which he made reference in connection with the Fraser river.

Mr. Laing: No, Mr. Chairman, except that I said I thought we had one in course of preparation between the north shore municipalities and Victoria. Indeed, I think it has been submitted to Hon. Mr. Williston's department, because he has spoken to me about it. That is the only one, involving the three municipalities on the north shore, other than the application of the province of British Columbia joining with the municipalities of the Fraser valley in respect of raising the dike levels there.

Mr. Barnett: There has been no application with respect to any area on Vancouver island, as far as the minister knows?

Mr. Laing: No, Mr. Chairman.

Item agreed to.

The Acting Chairman (Mr. Dubé): This completes the estimates of the Department of Northern Affairs and National Resources.

DEPARTMENT OF PUBLIC WORKS

1. General administration, including grants as detailed in the estimates, $12,114,500.

The Acting Chairman (Mr. Dubé): Order. The committee is considering vote No. 1 of the estimates of the Department of Public Works for the fiscal year ending March 31, 1965. Shall the vote carry?

Mr. MacLean (Queens): Mr. Chairman, surely the minister is going to make an opening statement; or was it made on a previous occasion?

Mr. Deschatelets: I have made my statement, Mr. Chairman, and we are resuming the study of the estimates today.

[*Translation*]

Mr. Cyr: Mr. Chairman, I do not want to take up too much of the time of the house, but I may perhaps say a few words at this stage of our discussion.

I have to congratulate the Minister of Public Works (Mr. Deschatelets) who is always assisted by very qualified advisers, fully conscious of their responsibilities, for the good work he has accomplished.

Before making any specific remarks, I want to thank the minister for the projects which will be carried out in my constituency, and more particularly at Newport Point, Sandy Beach, and Riviere-au-Renard, the most important one being at Chandler.

Mr. Chairman, a breakwater will be built at Chandler at a cost of $3 million. The Gaspesia Pulp and Paper Company Limited will have to contribute a sixth of the cost of this project. But though the manufacturing of one ton of paper is more costly at Chandler than elsewhere, the Gaspesia Company recently invested over $18 million in a newsprint machine.

With the construction of a deep water harbour, the company intends to invest further capital in the district in the near future.

When the company decided to build a newsprint mill at Chandler, the plant was planned so that the output could be doubled, and increased even more, if the demand should warrant it.

I want to repeat what the minister has already told the house: the planned construction of a breakwater in Chandler, at a cost of $3 million, is an example of the co-operation between the federal government and private concerns towards the progress and development of designated areas.

I want to mention to the hon. members that the Gaspesia Company Limited is not a local concern—it does not belong exclusively to Chandler—but it depends on the whole Gaspé coast and, in fact, most people in the Gaspé peninsula depend on it.

Mr. Chairman, I would like now to deal with another matter.

As you probably know, the general economic survey of the Gaspé peninsula, requested by a number of groups in the area, shows that there is an urgent need to do everything possible in order to take advantage of our resources.

The eastern Quebec development board, in Mont Joli, is preparing a planning program for 1966, and I suggest to the minister to send the highest officials of his department to Mont Joli so that they might see for themselves the planning work which is now being prepared under ARDA. I suggest further that the summaries of any survey of the lower St. Lawrence and Gaspé peninsula areas which are in the possession of his department should be placed at the disposal of the eastern Quebec development board.

The work now being carried out at the eastern Quebec development board for the pilot area of the lower St. Lawrence and the Gaspé peninsula is unique and discussions between the economists of the public works department and those of Mont Joli would certainly be profitable to both groups.

I also wish to bring to the minister's attention the situation of wharves and harbours in some communities of my riding. It is a known fact that the Gaspé riding has a coastal area 288 miles long.

Some ten years ago it was claimed that there was no room left in the Gaspé peninsula to build wharves and develop harbours. At that time, Mr. Léopold Langlois, former member for Gaspé, in co-operation with the Department of Public Works, had met all the requests of the local authorities. Today most of those commercial wharves can no longer meet present needs. Those wharves were built for shallow-draught ships, such as schooners used for carrying wood and freight. The wharf needed no more than 15 feet of water.

Since the deepening of the St. Lawrence small boats are not being built and the tonnage of new ships will increase year by year. Therefore, the Department of Public Works has to spend large sums of money to meet the wharf requirements in eastern Canada

because everything has to be done over again, such is the case in my region.

Mr. Chairman, may I call the attention of the Minister of Public Works to some letters I have received?

Quite recently, on August 31, 1964, I received the following letter from the Frank Byrne Pulpwood Inc. company:

If my memory is good, I wrote to you last year to ask whether it was possible to get much needed improvements at the Madeleine and Marsoui wharves, in the Gaspé peninsula.

From Matane to Cloridorme, I buy several thousand cords of pulpwood and we are at the point where none of the companies with which we do business want to use those wharves. I am talking about the L.S.T. boats of the Anglo Canadian Pulp & Paper Mills Ltd. They have no protection from the wind and do not have the required space.

I do not request wharves for sea-going ships, but merely a sort of shelter which engineers could no doubt build to serve our purpose, at a reasonable price. We are ready to indicate to your engineers the sites and what would be required for the boats. The matter of schooners is not taken into account, because they do not use them much, although I am convinced that they would be pleased to use those wharves.

Mr. Chairman, I have also received a letter from a Marsoui manufacturer, A. Couturier & Fils Limitée, from which I would like to quote a few excerpts.

—our company here in Marsoui paid more than $600,000 in salaries in 1963, and we expect that this figure will exceed $1 million in 1964 and during the coming years.

We have a lot of lumber and pulpwood to ship; we also have a logging camp on the north shore where we will cut 5,000,000 feet of logs this year and 10,000,000 feet every year in the coming years.

All those logs will have to be transported to Marsoui by boat and, this year the transport should begin in early August at the latest, and stop at the end of the shipping season.

The vessels which will carry the wood draw about 12 feet of water; with the water around the wharves at its present level, the ships will run aground at the least surge or swell, and they will not be able to unload. The five million feet of logs we are going to cut this year will represent about 60 boat loads.

Mr. Chairman, last year the sawmills of north Gaspé almost had to close down as they were unable to get boats to ship their lumber overseas, for lack of adequate and protected wharves. Some insurance companies now refuse to take the risk of ships stopping alongside some wharves such as in Cap Chat.

Last year, thanks to the co-operation of the Minister of Transport, a tugboat was ordered to stand by to protect the ships.

In order to help S.S. M.V. *Dadmar*, the James Richardson Company, of Cap Chat, had to pay $3,750 to the Foundation Marine Ltd., of Halifax, for the services of the tugboat *Foundation Valour*.

It is hardly reasonable that in 1964 a private firm should have to disburse any amount for tugboat services, because of the inadequacy of the wharves.

At Cap Chat, the wharf runs out directly into the gulf; it has no protection whatever against winds and high seas.

The result is that it is impossible to load heavy tonnage boats on days of strong winds, which occur frequently in that area. The maximum draught is 20 feet, which does not favour deep-draught traffic toward the Atlantic.

At Cap Chat, Ste. Anne des Monts, Marsoui, Madeleine, Grande Vallée and other important municipalities of the coast, the Department of Public Works will have to consider heavy expenditures during the forthcoming years for the improvement of wharves so as to retain in the area the few industries which are operating at present.

The situation is nearly the same in the fishing harbours. Most of these ports were built for little fishing boats 20 to 35 feet long, and the fishing boats are now nearly 80 feet long.

In the last few years the department has co-operated closely with the fishermen's union and the Quebec united fishermen in order to meet the present situation as well as possible and so that the structures which are being built meet future needs of the fishing industry.

Having said that, Mr. Chairman, I thank the minister for the active part he played in the negotiations with the Quebec government, in conjunction with the Minister of Transport (Mr. Pickersgill), concerning the project of renovating highway No. 6 in north Gaspé for which the government will have to contribute $13 million.

I wish success and good health to the minister and I wish he could accompany his officials in Mont Joli and visit the eastern development board.

[*Text*]

Mr. Macquarrie: Mr. Chairman, I should like to say but a few words about one very important aspect of the minister's departmental operations, as they bear on the province I have the honour to represent. Over the last seven or eight years there has been a good deal of talk about the causeway which the previous government indicated would be built between New Brunswick and Prince Edward Island. I should like to report to the minister on something of which he should be aware, and that is that there is considerable disquiet and unrest in Prince Edward Island over the lack of a definitive and comprehensive statement on this particular and very

important project. As the minister well knows, alert historian that he is, the very nub of the relations between our little province and the dominion has been communications and transportation. This was at the forefront of the negotiations which brought in our province in 1873, and we have constantly sought and pleaded for continuous and efficient communication with the mainland.

We were quite elated, Mr. Chairman, when with the advance of technology and engineering skill we reached the stage where a continuous land link with the mainland was possible. We were all the more thrilled when the government of the day declared that that which was possible, a causeway, would be constructed.

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

Mr. Macquarrie: Well, all right.

Mr. Prittie: It is just a brief one. I wonder if the hon. member could tell whether the people of Prince Edward Island are convinced that a causeway would be a good thing? Would this not destroy the uniqueness and charm of that province, flooding the island with hundreds and thousands of motor vehicles coming over from the mainland every year? Is he not better off the way he is now?

Mr. Macquarrie: I can only say that I should have liked the company of my hon. friend last Sunday when I made a very fast trip from Sackville, driving far too fast, in order to get to the ferry terminal, and then discovered I had to sit there and wait, owing to insufficient room, while three boats left. I thought at that time that I would have loved to have with me some of the people who think that it is a charming thing to have the boats. We have arranged, with our Prince Edward Island canniness, that when the causeway is built we will still have the ferry service between Wood Island and Nova Scotia, and anyone who wants a sail can carry on his trip. However I do appreciate the remarks of the hon. and learned member.

Let me say in all seriousness that we recognize the role of the tourist, and as I said this morning this is the most expandable and rapidly expanding industry we have. But more important than that is the primary producer, the farmer and the fisherman, and his ability to get his goods rapidly to market by a sure and certain communication. The means the causeway would provide I think vastly transcends the charm of the boat sail.

[Mr. **Macquarrie.**]

We are nautical people and we love boats, but we are also very hospitable people and not afraid of being overwhelmed. We welcome strangers, be they from British Columbia, be they Liberals, Social Crediters or even members of the N.D.P., and over the years I do not think there has been any indication that we have lost our own cultural uniqueness. I do not fear that at all, any more than Cape Breton has reason to worry about losing its individuality. I would not like the minister to entertain any suggestion that he is protecting Prince Edward Island's culture by not moving forward as rapidly as possible with the causeway.

When the former government was in office we were delighted by the forthright statement of the leader of that government that the causeway would be built. We are looking to this government for a reassertion of the same positive and definite intention. I am not going to say that they have welshed on this arrangement, or that they have backtracked, because I make no accusations that I cannot back up, but I think they would be in a much better position, vis-à-vis our people, if they would forthrightly indicate their intention.

Another thing which has caused us much concern is the seeming veil of secrecy which surrounds the reports which have been elaborately and, I may say, Mr. Chairman, expensively prepared. I can recall when the member for Bonavista-Twillingate used to criticize the then minister of public works for not divulging, not indicating, not tabling and not presenting a report at that time; but the report then had not been completed. As I understand the situation now, the report has been completed and we know that it is vast, exhaustive and tremendous, but still we do not know what is in it. Considering the importance of this to Prince Edward Island, considering the vast expenditure of taxpayers' money, surely it is incumbent upon the government to indicate in considerable detail, whether replete with technical information or not, what is the present thinking of the government.

We are constantly reading statements by the Solicitor General to the effect that consideration is being given to building the structure without rails. We would like to know whether the government has had anyone investigate the feasibility of interprovincial travel by means other than rails, how much Price Edward Island would suffer if the railway was completely abandoned, and what would be the costs.

We would be interested to know the government's reaction to the suggestion—indeed, the positive offer—by a very prominent and reputable private organization, headed I believe by Mr. A. D. Margison, a man of wide repute, in reference to the building of this project. This is a tremendous offer. What is the government doing about it?

I have heard about mysterious meetings of the Minister of Transport, the Solicitor General and the provincial minister of highways. I did not hear of these meetings from the minister of highways but from someone who happened to be at the airport at Charlottetown. Surely this is not a matter of high secrecy, but a matter of tremendous public importance to the people in my province. We are interested in receiving the fullest possible information, and we wonder how much investigation has been carried out in reference to a similar project at Chesapeake bay. Have the people who made that feasibility report been consulted? Have other private offers been made other than that made by Mr. Margison?

In other words, to put it very simply, I say to the minister, Mr. Chairman, that we should like him to indicate to this house and to the province just exactly what is going on. It is not for me to comment on the relationship among ministers of the cabinet, but I am a little surprised that his name does not figure more prominently in discussions, in view of the fact that it is his department that is responsible. He is a minister with a tremendous reputation and we know of his concern for all parts of Canada. We wonder why he is not more prominently in the picture and mentioned perhaps more frequently than the Minister of Transport.

It is in respect of some of these matters that we want to know the government's stand and attitude towards offers that have been made. We want to know what the thinking is in reference to rail traffic. Has the government decided that it cannot and will not build a causeway with rails? Let the people know the answer so that they can make a judgment. This matter has been under consideration for a long time and is of tremendous importance. It is one of the great challenging public works projects of our time. I want to co-operate with the minister in every possible way and it would not injure my pride at all if the whole thing were built and completed as soon as possible—I was going to say, even while this party was in power, but I suppose even modern technology is not that rapid. We are not interested in political partisanship in respect of this matter. We want to wish the minister well and assist him in any way possible because this is a very important matter. I suggest to him, and even advise him, to be a little more forthcoming with information for the people of Canada generally, and particularly those people in Prince Edward Island who are especially concerned.

Mr. Herridge: Mr. Chairman, I made my general observations when the minister's estimates were before the house but I should like to ask a question or two on this occasion.

I suppose the minister is aware of the fact that in the Arrow lakes region, owing to the proposed building of the High Arrow dam—I hope they do not even find the foundation satisfactory—there will be 12 or 13 wharves displaced, which are very important and serve various communities at this time. Some of these communities will be flooded completely and others only partially. Can the minister indicate to the house whether any survey has been made by his department of the needs for wharves after the High Arrow dam is complete? Will there be a relocation of various wharves, or the building of new wharves after this dam has been constructed, and has there been any co-operation whatsoever between the B.C. hydro power authority and the minister's department in respect of planning to meet these needs in the days ahead? If there has been a survey, who will be responsible for the cost of these new wharves, the minister's department or the B.C. hydro power authority? I would appreciate very much the minister letting the house know what has been done to date in this respect, and what the department intends to do in the way of investigation, and at whose expense.

Mr. MacLean (Queens): Mr. Chairman, I do not want to be repetitive but I should like to say that I associate myself with the remarks that have been made by my colleague, the other hon. member for Queen's, Prince Edward Island.

In respect of the remarks made by that hon. member, who just asked a question, I am under the impression, as I think all Prince Edward Islanders are, that this government intends to honour the commitment of the previous government that a causeway would be built, and that there is no longer any question as to a decision in that regard, but only a question as to how quickly, and what type of causeway it will be.

I should like to point out that under the present system as traffic increases it is carried at a deficit, and the cost to the federal government of providing this service increases roughly in proportion to the amount of traffic available. The traffic has increased a great deal in the last few years and I believe it will continue to increase at an accelerated rate. Very soon it will reach the point where in my judgment the present system will be a more costly way of providing that service than will a causeway. When a causeway is built it is the initial capital cost, the capital charges for the money invested, that are the greatest expense; but once it is built it will be able to carry a volume of traffic much larger than that now offering, and there would be no increase in cost in proportion to the increase in traffic, at least for a very long time. I am interested in having as clear and precise a statement as the minister can make on this matter.

Mr. Deschatelets: I have promised that.

Mr. MacLean (Queens): I am aware that the minister has promised to make such a statement, but time is passing and the people of Prince Edward Island and no doubt of other areas are most anxious to know what the situation is. The minister may recall that when he sat on this side of the house, his colleague, the present Minister of Transport, was extremely anxious to see that progress was being made as rapidly as possible, and because the rate of progress was not as great as the present Minister of Transport thought it should be at that time he was everlastingly asking questions of the then minister of public works. I remember that on one occasion he got up and asked if the causeway was now under construction. I am aware of course that it is not even yet under construction. On one occasion he saw fit to rechristen it "the pauseway", not the causeway. In passing I point out that the last few months have been the longest period there has been without any very illuminating statement from the government as to what is taking place.

I do not want to be political in any way because this is a great construction project and a great national undertaking. It will be unique in North America, indeed in the world, having regard to all the difficulties that exist in this area such as the ice problem, the tidal problem and so on. The Chesapeake bay causeway is similar in many respects, but there are some ways in which the Northumberland strait crossing will present additional problems. In that regard I should like to be sure that the Department of Public Works has taken action to make certain that all the knowledge gained from the construction of the Chesapeake bay causeway can be exploited by the designers and the department in considering the construction of the Prince Edward Island causeway.

There is a great deal of doubt in people's minds, of course, as to what form it will take. I believe I am correct in assuming that if it involves tunnels in part it would then be impractical or at least very costly to accommodate a railway line. This has grave implications. If that is so we would like to know what the thinking as to an alternative is. Would it be considered advisable to continue to use one ferry for rail service only for a period of time? It is most important at this stage that a study should be made with regard to whether it is economically feasible, and feasible in other ways, to contemplate having Prince Edward Island do without rail service entirely. I know of course, as everybody knows, that there is a trend toward the abandonment of railway lines; but whether or not it would be feasible to carry on a developing economy in the whole of Prince Edward Island with no rail service at all is something that should be studied. A conclusion should be reached one way or the other before consequent decisions are made. If it is decided that rail services are not necessary there is the question of alternate road construction to take the place of railway services. I do not want to prolong the discussion and I have nothing more to say at the moment.

Mr. Kindt: Mr. Chairman, I was very pleased that the Minister of Public Works visited the west last summer. He did manage to get out there. In the house last year I suggested to him that he might visit southwestern Alberta and familiarize himself with the road situation there, with the idea that in his consideration of a second or alternate trans-Canada highway he might see his way clear to name the route from Lethbridge to Nelson as the best alternative to the national No. 1 trans-Canada highway.

I do not know what the minister did while he was out there. I had hoped he might get in touch with me so that I would be able to carry out the promises I made to him to take him around. However, he never showed up. I am afraid he only talked to certain people and did not see the right people. Nothing has happened with regard to this highway and we expected something more tangible. We would be only too glad to take

the minister fishing and extend to him all of the hospitality which the resources of that great region enable us to offer, but we also wish that he would familiarize himself with the problems of the area and talk to the people who know most about the problems there so that he would be in a position to act on them.

So far the people of Lethbridge and the Crowsnest pass area have heard nothing with regard to his views as to a southern highway. I see it is five o'clock, Mr. Chairman, and as I have not finished what I wanted to say I would ask to be allowed to call it five o'clock.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: May I interrupt, Mr. Speaker, to ask about the business for next week?

Mr. Favreau: Mr. Speaker, as announced by the Prime Minister there will be a supply motion on Monday, and as was agreed and set forth in an order of the house it will be the last supply motion for the present session. Consequently any department which has not been entered in previous supply motions will be deemed to be entered on that occasion.

The Acting Speaker (Mr. Batten): The house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills and private bills.

Order No. 1, Bill No. C-5.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

An hon. Member: Order No. 2, Bill No. C-9.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

An hon. Member: Order No. 3, Bill No. C-16.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

An hon. Member: Order No. 4, Bill C-41.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

An hon. Member: Order No. 5, Bill No. S-43.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

An hon. Member: Order No. 6, Bill No. C-46.

The Acting Speaker (Mr. Batten): Stand, at the request of the government.

RAILWAY ACT

PROVISION FOR MORATORIUM ON ABANDONMENT

Mr. R. W. Prittie (Burnaby-Richmond) moved the second reading of Bill No. C-55, to amend the Railway Act.

Mr. Lambert: On a point of order, Mr. Speaker, I regret you were able to get on to this item, but a few years ago a practice was adopted of balloting for a place on this particular section of private members' business, so that hon. members were able to get a place at the head of the list with some prospect of having their bills debated.

During the last two years we have seen that this priority established through balloting seems to have become more or less meaningless. Many hon. members are interested in what appears in the order of balloting, but frankly one has to spend about half an hour or three quarters of an hour chasing around on Friday afternoons trying to find out what bill will be proceeded with. There are hon. members in the house interested in particular bills as they appear on the order paper and who are prepared to make contributions, but they cannot find out what bill will be dealt with until the very last.

There are hon. members interested in speaking on certain bills, but who actually leave on Friday mornings as they cannot find out whether tnose bills will be dealt with or not. At present there is a queue up from the beginning of the session, and I suggest there should be 24 hours notice of which bill is going to be debated at this time on Friday afternoons.

I suggest that this practice of standing bills has made a mockery of the balloting for priority and that we should not continue this practice. If there is going to be this wholesale standing of public bills, then there should be 24 hours notice given of what bill will actually be dealt with.

Mr. Churchill: I wonder if I could speak to that point of order. When I was government house leader I instituted a procedure whereby when a private member's bill was called for the first time it was permitted, without any question, to stand. On the second oc-

casion it was called it was permitted to stand if there were a valid reason for so doing, if the hon. member were inexcusably absent or suffered from illness. On the third occasion it was called, then only if there was a very special reason for its retaining its position on the order paper was it so retained, but not otherwise. The result was that bills, having been called the second time and not proceeded with, dropped to the bottom of the order paper, and on a few occasions it was after they were called a third time that they were dropped to the bottom of the order paper.

Now you have bills standing on the order paper in the same position for the entire session. The result is that we never know what is coming up, and there should be some correction made to this procedure.

Mr. Favreau: If I may be allowed to speak to that point of order, it is quite true that there is likely to be some annoyance caused by the fact that bills might be stood for an indefinite period, but as we all know there are no definite rules covering the matter at the moment.

I am advised by the government whip's office that it has always been possible for a member inquiring from that office to ascertain in proper time, and well before the date, when a bill to be called will actually be discussed. There might be the odd exception, but I agree this would very probably be a good subject for discussion by the special committee of the house on procedure, and I should hope that one day we will reach a solution which will not only be empirical—like the one consisting of calling the whip's office, which is always at the disposal of hon. members—but a solution which will be written into the rules of the house.

Mr. Knowles: Mr. Speaker, with great respect to my hon. friend from Edmonton West I suggest that there is no point of order in the sense that any rule is being violated. The hon. member is making a suggestion as to a change that might be made, and I think there is merit to his suggestion, but I am sure Your Honour will agree that there is no point of order on the basis of which you can rule that we cannot proceed with the order now called.

We are acting under standing order 19 (1) and (2), a request having been made and concurred in by the government that certain bills might stand. All I am saying is that I think the point raised by the hon. member for Edmonton West (Mr. Lambert) has validity, but it is validity only as a suggestion, as something we should look at, not as something on which Your Honour can rule at this stage. I am sure my hon. friend will agree with me, and as a member of the special committee on organization and procedure I for one accept the suggestion that we should look into his proposal in that committee.

Mr. Lambert: I would readily state that as a point of order I am not asking Your Honour to make a ruling on anything, but I am drawing something to the attention of the house, and that is the only way I could do it. I would point out to the house leader that the bills are stood at the request of the government, in conformity with the rules—

Mr. Walker: Yes, in conformity with the rules.

Mr. Lambert: —because it is only the government which can ask to have them stand. As indicated by the hon. member for Winnipeg South Centre (Mr. Churchill), the government house leader has the remedy in his own hands. It is for the government to decide whether or not it will request to have a bill stood. It is for that reason I have raised the point of order this afternoon. I think Your Honour and other hon. members will recognize there are many other bills which have queued up behind the first 50 and which might have a chance to be debated if the ones in front were not stood en bloc. Some of these have now been stood 12 or 15 times.

Mr. Favreau: I am afraid that this point of order which, in fact, was a well taken suggestion and not a point of order, will soon become a question of privilege as far as I am concerned. I must add in due justice that there is also the empirical solution of the whips getting together and negotiating to convince the government not to stand a bill, if it is shown that there may be some prejudice. I repeat that on our part, and I think the feeling will be the same on all sides of the house, there is willingness that this suggestion should be transmitted to the committee on procedure for consideration. Indeed, it need not be transmitted formally because the learned chairman of that committee, the hon. member for Winnipeg North Centre (Mr. Knowles) is here and will have heard the suggestion.

Mr. Nasserden: I am afraid I must question the propriety of the suggestion by the leader of the house that anyone wishing to find out what is likely to happen should get in touch with the government whips office. With all

due respect to the hon. gentleman there is a question as to the propriety of such a course of action and I think this should be taken into consideration.

Mr. Walker: I should like to ask the hon. member for Edmonton West (Mr. Lambert) if he did contact his own whip's office in connection with the business before the house during the private members' hour today. We take the initiative. We may slip up sometimes, but we try to advise opposition whips of what is likely to be up for consideration. I have heard from my own office that the opposition whip's office was advised of today's business on Thursday at twelve noon.

As to the standing of some of these bills, as the hon. member knows, a rule of the house states that this must be done at the request of the government. We take this action in accordance with requests which come from other parties in the house; I think it is important, in my position, that we do retain some good will among ourselves concerning what goes on in the house.

Mr. Lambert: In reply to the government whip may I say there have been many afternoons when at three o'clock the hon. gentleman or his assistant have been running around madly trying to determine what was going to happen. This may be a classic example of an occasion when the government whip can assume a mantle of virtue, but I suggest it is an exception.

Mr. MacInnis: May I point out in this connection that I inquired of my whip this afternoon what would be coming up during this particular hour and he informed me that the hon. member for Burnaby-Coquitlam (Mr. Douglas) would be dealing with one of his bills. I looked at the order paper with that understanding, and Bill No. C-9 was the first which came to my attention.

The Acting Speaker (Mr. Batten): I can understand the concern of the house over the procedure which has been followed since five o'clock today and on a number of other afternoons but I would say to hon. members that whatever procedure is adopted the Chair is guided by standing order No. 19. Possibly I could say to the hon. member for Edmonton West that I will take note of the suggestion he has made and as chairman of the committee bring it to the attention of Mr. Speaker.

Mr. Prittie: If I may just say a word on the subject of procedure before we go on to consider the bill before us, let me point out that the whip's office asked me on Tuesday of this week whether I was willing to proceed with this measure.

I am concerned about the amount of time which is being taken up during the so-called private members' hour for the consideration of this and similar matters. Last week discussion of the estimates cut into consideration of another bill in which I was interested for 12 minutes or so and now, I see, it is 18 minutes past five. As long as we continue with this so-called private members' hour I suggest it should really be 60 minutes and that in future, Mr. Speaker, you do not call it six o'clock until 60 minutes have expired. The committee on procedure might well come up with some change in our rules to make this possible. I would prefer the system they have in the United Kingdom where there are fewer bills but more time is allowed in which to discuss them. With those remarks I will move on to the subject of the bill before us.

This is an act to amend the Railway Act by requiring transportation companies operating under the Railway Act to file a copy of their reports with the House of Commons. My idea is that such reports should be referred to the committee on railways, canals and telegraph lines where they could be examined. Officials of the companies in question could graph lines where they could be examined. by members of the committee as is done in the case of the Canadian National Railways.

I wish to comment on the work of the committee on railways, canals and telegraph lines in this connection. Prior to this session, the work of examining the annual report of the C.N.R. was done by a special sessional committee. This year we made it the work of the committee on railways, canals and telegraph lines. I think this was probably a sensible change. If hon. members will examine the most recent report of that committee they will become aware of some of the topics which were brought up by members. I will refer to a few of them now. The hon. member for Acadia (Mr. Horner) spent a considerable time questioning the management of C.N.R. about their policy in relation to rail line abandonment. He took, I thought, a great deal of time on this, but the subject was important to him, and no doubt to other members from the three prairie provinces, so I think the time was probably well spent.

The hon. member for Three Rivers (Mr. Balcer) asked the president of the company questions about railway service to a steel complex which was contemplated in the province of Quebec. Both the hon. members

for Halifax brought up the question of rail traffic in that important port. The hon. member for Middlesex East (Mr. Millar) asked the management of the company questions concerning their policy regarding employees who would be laid off as a result of the closing of railway shops at London, Ontario. The hon. member for Port Arthur (Mr. Fisher) had questions to ask about run-throughs on the northern line of the C.N.R., on the effect of automation on employees and the impact upon the communities concerned as a result of changes in running schedules. A number of members asked questions about railway lines to various company plants.

These are important questions which affect the people in the ridings represented by the members I have named. I think this committee serves a very useful function. The work of the committee is uneven. Some members do not attend very well, others attend regularly. Some do not come well prepared; others do. They have read the reports and made themselves well informed on transportation matters. However, as I say, the committee serves a useful function because its members have a chance to meet face to face with the management of the railway company and ask questions directly. I think this is much more useful than putting questions on the order paper, speaking on the estimates of the Department of Transport of putting questions to the Minister of Transport (Mr. Pickersgill) which may ultimately be answered after lengthy correspondence between the department and the railway company.

This is a direct way of putting questions and obtaining information. The president of the company is there; the comptroller is there, as is the secretary and other officials. They are ready to answer questions and the information comes forward quickly. I know the committee has been the object of a good deal of publicity in the past, but I maintain that a good rapport has been established between its members and the management of the company because of this direct personal contact.

I know the reason for Canadian National Railways coming before the committee; it is of course because it is owned by the government, and the government has to supply capital funds for the company and supply money to cover the operational losses. Nevertheless, Mr. Speaker, I contend that the other railway companies in this country are not really private enterprises in the strict sense of the term. I said "other railway companies"; there are quite a few in which hon. members may be interested. There is the Algoma Central, I believe it is called, in northern Ontario; the Northern Alberta, the Pacific Great Eastern, and some of the American lines which run into Canada. But I refer particularly to the Canadian Pacific Railway and I would not try to disguise the fact that I would like to see this railway company's officials appear before the committee.

The Canadian Pacific is a private enterprise in the sense that its shares are not held by the government. But it is very much a public institution. It was established as a result of public policy; public lands were granted to it, and it still receives public moneys. All the railways in this country receive a great deal of public money. There are the bridge subsidies, the maritime freight subsidies, the other freight subsidies, the proposed Crows-nest pass subsidy—which I believe we will be dealing with later—and the proposed passenger subsidy. All the subsidies amount to a very large sum of money. Therefore, Mr. Speaker, I submit that public money is being spent here and the representatives of the public ought to have the opportunity to question the management of the railway companies. Some operating rule may have to be worked out. Perhaps we should question the officials of those railway companies receiving subsidies of $5 million a year or more; I am not sure. But again, the point is that public moneys are being spent, and these railways affect the communities in this country and the lives of its people.

I said a few minutes ago that I should like to see the Canadian Pacific Railway Company management appear before the railway committee of the house. It seems rather incongruous that we have Canadian National appearing before this committee, where all its operations are subject to question—its railway operations, its steamship operations, its hotel operations, its trucking operations, its express operations and its telecommunications operation. All these matters are subject to questioning by the representatives of the people. But the other large transportation complex of this country is free of such investigation. I think it would serve a useful purpose to have these other companies appear before the committee, so they could be questioned about their operations by the representatives of the people who in one way or another pay the costs of the operations.

There is one particular point about the Canadian Pacific operation which I think is interesting and which is beginning to develop

at the present time. As is the case with the C.N.R., the Canadian Pacific has, besides its railway lines, steamship lines, trucking lines and telegraph operations. It owns lands from which revenues are received from the production of oil and gas. In my own province it owns land from which revenues are received from the cutting of timber; and it has a great many non-rail operations. According to the financial reports that I have read, the Canadian Pacific Railway Company has set up another firm, an associated firm, called Canadian Pacific Investments Limited, and they are gradually turning over to Canadian Pacific Investments Limited many of their non-rail holdings. I should like to read a sentence or two from the September, 1964 report of the investment company of McLeod, Young, Weir & Company. They have this to say in part:

> As the result of the transfer of many non-rail assets to the recently created subsidiary, Canadian Pacific Investments Limited, C.P.R.'s real earnings are now considerably understated, since C.P. Investments earnings are not consolidated with those of the railway company.

I do not want to make too much of that, Mr. Speaker, because I really have not investigated it very thoroughly. I have read this report by McLeod, Young, Weir & Company and I have read reports in the *Financial Post* and *Financial Times* on the same subject. I am simply trying to point out that this is a very important topic in which the members of this house might be interested; because I think some of us would be concerned if the company was not showing, in its railway operations, its total revenues. After all, the revenues and profits—the earnings, in other words—of the railway company certainly have some bearing upon the freight and passenger rates which are set.

The company received public lands at one time—a very large acreage of public lands; over 25 million acres, anyway—in western Canada. It is from these lands that revenues are being received from oil and gas production and in the sale of real estate, in some cases. In the city of Vancouver they are realizing large amounts of money from the sale of real estate. They would not have received these lands had they not been a railway company; and I contend that all these earnings should be taken into account when we are assessing the earnings position of the railway company and the relation they have to the freight and passenger rate structure within the country.

From time to time in the past we have had set up royal commissions to investigate transportation. It seems to me that if there could be an annual review of the operations of our major transportation companies, the members of the House of Commons could meet the management directly and ask questions. Then there would be less need for investigation, less need for boards of inquiry. The information would be readily forthcoming each year and, despite the newspaper headlines which have attended the meetings of the railway committee at times, I still maintain there is a very good rapport between the members of this house and the management of the railway. We meet Mr. Donald Gordon; we speak to him; we see the other members of his staff. We can meet these people every year, and I think this is an excellent thing. I believe it should also be done with the other railway companies. I do not think the railways should be unwilling to appear before the committee, because whenever a royal commission has been set up and they have wanted to present their case they have been quite eager to appear before them. I think it would be good for them, as well as for the House of Commons.

In conclusion, Mr. Speaker, because the major transportation companies—the major railway companies particularly—affect the economy of communities throughout this country and the lives of individuals, and because the Canadian people have put up so much money for their operation, I think it is only right and proper that the representatives of the Canadian people in this house should have an opportunity of questioning and examining the management of these companies each year, as is now done in the case of Canadian National Railways.

[*Translation*]

Mr. Jean L. Rochon (Laval): Mr. Speaker, I listened very carefully to the speech just made by the hon. member for Burnaby-Richmond (Mr. Prittie).

I appreciate that the hon. member's remarks were in the interest of the people and were not made for any political consideration.

I understand he is only looking forward to the protection of all concerned, and I want to commend him for his good intentions. But, as it happens so often when one wants to do something too well, one loses sight of one's goal; that is, unfortunately, the case with this Bill No. C-55. I fear it is exactly what would happen should the house pass such a piece of legislation. As a matter of fact, in my opinion, this could cripple any

action on the part of those who are engaged in or who favour private enterprise.

By submitting them—more specifically the Canadian Pacific—to such legislation, they would be compelled as is the case for publicly-owned companies, to submit to government interference in the internal administration of their affairs.

Many would no longer care to serve the community well, even while expecting a fair retribution.

I am not against some form of control, especially when people are being exploited, with regard to the conditions under which they work, the hours they work or the salary they are paid, far from it. But today, labour unions are so well organized and efficient that abuses are seldom to be deplored.

The purpose of this bill, according to the explanatory notes, is to permit parliament to inquire into, as is done with the publicly-owned Canadian National Railways, the financial structure and the operations of those private railway, telegraph and express companies and water carriers which come under the board of transport commissioners as public utilities.

I share some of the views of the previous speaker but I should like perhaps not to dispute their validity, but to express my concern over a far reaching socialism, a provident state that paralyses or tends to annihilate personal efforts without people realizing it.

Besides, it is provided in the charter of railways or public utilities having to do with transportation, that annual reports must be submitted to the board of transport commissioners and also to the dominion bureau of statistics, and I fail to see the need for such government interference as provided for in this legislation. I realize that some companies are virtual monopolies, but the brain behind them belongs to an individual at the service of a private organization, most often his own. His talent is put at the service of those who benefit from his activities; he pays salaries and in many cases, his employees, at least the most qualified, get fringe benefits according to their qualifications or years of service. In many cases, they are considered as partners rather than employees and relations between employees and employer do not have the tendency that is too often observed among the employees of an organization that is public property.

I would not go so far as saying that the C.N.R. personnel, and especially the express employees do not carry out their duty. Far from it; but I claim, Mr. Speaker, that the interest in one's job, in those public companies, is very often limited, strictly to the terms of the contract agreed to. In this age of automation, everybody must face realistically the facts of life. Like many others, I would look unfavourably upon government control of private enterprise which always remains the best incentive for individual effort, the best way to think and believe that if the government must help the individual, the latter on the other hand must not expect everything from the government.

That is why, Mr. Speaker, I wanted to make a few remarks on behalf of private enterprise, which should not be destroyed, which should be allowed to live if we are to have good understanding and to get results in our world.

Such are the remarks I wished to make and I made them not in the interest of one company or of one organization but in the interest of every one of us, namely of the people of this country.

[*Text*]

Mr. Jean-Eudes Dubé (Restigouche-Madawaska): Mr. Speaker, I should like to make a few very brief comments on the bill before us this evening, Bill No. C-55 to amend the Railway Act. I have listened with interest to the remarks made by the mover of the bill, the hon. member for Burnaby-Richmond (Mr. Prittie). As I understand the bill, the explanatory notes and the explanation of the hon. member, its purpose is to enable parliament to look into the financial structure and operations of private companies doing business in the field of transportation, telephones and telegraphs. The bill would add an additional subsection (5) to the other four subsections of section 384 of the act. This proposed amendment would make these companies submit an additional copy of their returns to the Minister of Transport (Mr. Pickersgill), who in turn would have to lay such copy before the house within a certain period.

I must agree with the hon. member for Laval (Mr. Rochon) that the proposed amendment to the Railway Act is unjustified because the Railway Act already provides for the filing of annual returns. The annual reports of these private companies already have under the act to be filed with the board of transport commissioners as well as with the dominion bureau of statistics. We can see why the C.N.R., the Canada Council or other crown corporations such as Trans-Canada Air Lines, or I should say Air Canada, would have to make annual reports to parliament. They are

crown corporations. But I fail to see why private companies should be investigated by parliament. It seems to me, Mr. Speaker, that by poking our parliamentary noses into private business we are transgressing, reaching beyond our duties and trespassing on a field which lies entirely outside our proper jurisdiction. If we start snooping into the books of private firms, where do we stop? Where do we draw the line between private companies and crown corporations; between free enterprise and socialism? It seems to me, Mr. Speaker, that the amendment before us would simply tie another governmental string and another yard of red tape around the neck of the private business.

Mr. Raymond Rock (Jacques Cartier-Lasalle): Mr. Speaker, Bill C-55, which is an act to amend the Railway Act, would force all private railways, telegraph, telephone, express companies and carriers by water, which now come under the board of transport commissioners, to be investigated each year by the standing committee on railways, canals and telegraph lines. Little does the hon. member for Burnaby-Richmond (Mr. Prittie), who is the sponsor of this bill, realize that all these companies must appear before the board of transport commissioners each time they intend to change their tariffs. All the pros and cons in respect of such a change are investigated, studied, and subject to a judgment after all witnesses have presented their cases. If the hon. member for Burnaby-Richmond is not satisfied with the operations of any of these privately owned companies, and can support his case, he has the right as a Canadian citizen to appear before the board of transport commissioners.

I am very strongly in favour of private enterprise. Since I have visited many countries of Europe, and particularly some of the socialistic countries, I am even more strongly in favour of private enterprise. Our high standards of living and our way of life is the result of a private enterprise system and not the result of any socialistic measures in Canada. I will always be against anything or anyone who wants to socialize private enterprise in Canada.

In fact, I even believe that the C.N.R. should not be government owned, but should be owned privately. I feel the government should only enter into business activity in Canada when private people are not able to provide efficient service. The Canadian Pacific Railway has done a wonderful job in Canada in providing transport throughout the country. I do not believe the government has any place in the ownership of the Canadian National Railways, but that it should be put back into the hands of private enterprise so long as it can be run efficiently.

I think also that the government should relinquish its ownership of Trans-Canada Air Lines to private enterprise. We have other air lines operating in Canada, such as the Canadian Pacific Airlines, which is carrying out an efficient operation. I strongly believe that the government should get out of the ownership of transportation services and allow private enterprise to own these companies, as long as the services are continued on an efficient basis.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I have listened with considerable interest to the remarks of the hon. member who has just taken his seat, and I agree with him that private enterprise, in initiating the system we have today, has built Canada for the most part into what it is today. I think this practice should be continued and encouraged because this is the most efficient way of developing a country.

I believe I should say that I do not agree with him in some of his arguments, for the very reasons he has advanced. If the C.P.R. was in effect running its operation as a free enterprise company and was not coming to parliament for subsidies I would support the kind of action which would keep what has been referred to as our parliamentary nose out of its business.

Mr. Speaker, the hon. member for Burnaby-Richmond (Mr. Prittie) presented a very good case in support of making the financial affairs of the Canadian Pacific Railway known to parliament, and I agree with many of his reasons. We are now paying to the Canadian Pacific Railway something like $70 million annually in unconditional subsidies. Surely the members of this House of Commons have a right to know why the C.P.R. requires this kind of assistance. A few days ago when the Minister of Transport (Mr. Pickersgill) was introducing a resolution respecting the new Bill C-120, he said that he hoped to reach the position where all subsidies paid directly to railway companies will be paid for specific purposes, and that massive unconditional subsidies will no longer exist.

Before the end of this session I think we shall have the opportunity of examining the officers of the Canadian Pacific Railway in respect of that company's financial affairs, because no doubt those officers will be pre-

senting themselves to a parliamentary committee, along with their briefs and requests for assistance. However, following the meetings of that committee this session I feel, as the hon. member who supports this bill has advocated, that in view of the fact the C.P.R. does require government subsidy, parliament should have the right to examine its financial structure, its profit and loss statements and balance sheet, as it should have the right to examine the financial structure of any company which comes to parliament asking for millions of dollars in unspecified or unconditional grants. As long as these subsidies are being paid to the C.P.R., or to any other company, even though I am in favour of free enterprise I feel as a member of parliament I have a right to know that they do in fact require this assistance. How can I satisfy myself in that regard unless I have the opportunity to examine their statements and cross-examine the officers of the companies?

If the railway companies, and this includes the C.N.R. and the C.P.R. as well as air lines, as the hon. member has said, carry on operations efficiently and provide the services required by the Canadian people without requiring subsidies from the federal treasury, they should be able to operate without our sticking our parliamentary nose into their affairs. However as long as we are required to pay literally hundreds of millions of dollars out of the public treasury to assist these transportation systems, I feel we have a right to know what their financial structures are. I might say also—

Mr. Choquette: Would we have time to examine it?

Mr. Olson: Yes, we would have time to examine it.

Mr. Choquette: It would be a 12-month session.

Mr. Olson: I might say also that, as the hon. member for Burnaby-Richmond (Mr. Prittie) pointed out, there were certain cash grants made out of the public treasury, along with public lands and so on in setting up the Canadian Pacific Railway in the first place. However, when they come back to parliament wanting to raise freight rates, for example, they only present a picture of their financial affairs which is specifically confined to the railway operations. There is the Canadian Pacific Oil and Gas Company, what I believe is referred to as the Canadian Pacific investment fund and so on. A large part of the assets that were turned over to Canadian Pacific when it was established in the first instance are vested in these separate companies. Whether you want to call it free enterprise, public enterprise or any other kind of enterprise, if justice is to be done all of these things, because they were a consideration in the first place, need to be taken into consideration before any further support for the railways from the public purse can be justified. Therefore I think it is a perfectly justifiable demand that the officers of these companies should be called before a committee of parliament so that we can examine the whole of their operations, rather than having to be content with just what they choose to give us.

[*Translation*]

Mr. Yves Forest (Stanstead): Mr. Speaker, the hon. member for Burnaby-Richmond (Mr. Prittie) was certainly well intentioned in introducing his bill. Nevertheless, there are a few comments I should like to make, inasmuch as I am against its principle.

What the hon. member said about his bill in no way convinced me that it ought to be supported. Of course, in the case of the Canadian National Railways or Air Canada, which are crown corporations property of the Canadian people, it is perfectly logical and legitimate for members of this house to have the right to look into their financial operations. When those companies appear before a committee of this house, members can get information about their financial structure, their development and their programs. We recognize that there are cases where such a thing can clear things up. The Canadian people certainly wish to be informed about their activities through members of parliament.

If we recognize this principle in the case of crown corporations we cannot do so, however, so far as private companies mentioned in the bill are concerned. The hon. member referred especially to the C.P.R. in support of his bill, mentioning that this company had obtained public funds for its operations. He only referred to that company, but on the other hand, his bill goes much further. As a matter of fact, it mentions private railway, telegraph and transportation companies already coming under the board of transport commissioners. Now, those private companies are already required to submit returns to the board of transport commissioners which has jurisdiction over a great number of their activities. It would be quite another thing, as suggested by an hon. member, if those companies published each year a report

which, to all practical purposes, would be a public document because it would come before parliament. Thus all companies could find out the assets, liabilities and operating costs of all other companies, which would certainly be harmful to the latter's interests.

Private companies have to comply with a lot of regulations, they are obliged to submit statistics and reports to the federal and provincial governments, and I think that we must not go any further in that field. Companies already have to hire experts to prepare all the statistics and other information required by regulations and federal as well as provincial laws. They must not be forced to appear before the railway committee or the board of transport commissioners to answer publicly all sorts of questions on their operations.

Of course, nothing stops the committee from making certain suggestions when it considers the reports of crown corporations, but it can do so only up to a point. Private companies cannot be influenced substantially as far as their operations are concerned nor can their reports be examined, because such a study must be carried out by experts of the board of transport commissioners. Those people are the only ones who can scrutinize the operations of the companies in question. At any rate, such an examination would be too heavy a task for the committee; the latter would have to sit all year round to make a detailed study of the balance sheets and operations of those companies.

Mr. Speaker, in my opinion, this bill will be a handicap to private enterprise which has done so much for the country. Furthermore, it is not only premature, it serves no useful purpose.

May I call it six o'clock?

[*Text*]

The Acting Speaker (Mr. Batten): The hour for the consideration of private members' business has expired.

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

Supply—Items Passed

[The following items were passed in committee of supply this day:]

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

Administration and general—

1. Departmental administration including federal share of the expenses of the secretariat for the Canadian council of resource ministers and $120,000 for grants for northern research and for northern scientific research expeditions, $1,591,500.

1a. Departmental administration—To extend the purposes of vote 1 of the main estimates for 1964-65 to authorize payment of a contribution to the Canadian council of resource ministers in an amount equal to one half the aggregate contribution of the provinces but not exceeding $50,000, $1.

5. Contributions to the provinces, pursuant to agreements entered into with the approval of the governor in council by Canada with the provinces, to assist in the development of roads leading to resources, $8,625,000.

10. Contributions to the provinces, pursuant to agreements entered into with the approval of the governor in council by Canada with the provinces, of amounts equal to one-half of the amounts confirmed by the provinces as having been spent by them for campground and picnic area development, $200,000.

National parks—

15. Administration, operation and maintenance including wildlife resources conservation and development, administration of the Migratory Birds Convention Act and payments to land owners who maintain migratory bird habitat in accordance with agreements entered into on terms and conditions approved by the governor in council, payment to the national battlefields commission for the purposes and subject to the provisions of an act respecting the national battlefields at Quebec and grants as detailed in the estimates, $11,485,600.

15a. Administration, operation and maintenance including grants as detailed in the estimates, $62,000.

20. Construction or acquisition of buildings, works, land and equipment, $14,253,600.

Water resources—

30. Administration, operation and maintenance including Canada's share of the expenses of the international executive council, world power conference, and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of the province of Manitoba and of the province of Ontario of the cost of regulating the levels of Lake of the Woods and Lac Seul and the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $2,097,200.

30a. Administration, operation and maintenance—To extend the purposes of vote 30 of the main estimates for 1964-65 to include federal expenditures in connection with investigations of the Fraser and Nelson rivers and to provide a further amount of, $1,080,000.

35. Construction or acquisition of buildings, works, land and equipment and authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the shares of provincial and outside agencies of the cost of hydrometric surveys, $304,500.

35a. Construction or acquisition of buildings, works, land and equipment, $20,000.

40. Contributions to the provinces towards the construction of dams and other works to assist in the conservation and control of water resources in accordance with agreements entered into between Canada and the provinces, $8,950,000.

Northern administration—

45. Administration, operation and maintenance, including grants and contributions as detailed in the estimates, authority to make recoverable advances for services performed on behalf of the governments of the Northwest Territories and the Yukon Territory, authority to sell electric power and fuel oil (and to provide services in respect thereof), in accordance with terms and conditions approved by the governor in council, to private consumers in remote locations where alternative local sources of supply are not available and to authorize the Minister of Northern Affairs and National Resources to provide, in respect of Eskimo commercial activities, for the instruction and supervision of Eskimos, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods, $22,524,700.

45a. Administration, operation and maintenance including grants and contributions as detailed in the estimates, $1,468,600.

50. Construction or acquisition of buildings, works, land and equipment including authority to make recoverable advances in amounts not exceeding in the aggregate the amount of the share of the government of the Northwest Territories of expenditures on education and vocational training, authority to make recoverable advances in respect of services provided and work performed on other than federal property when only the department is capable of performing such service or work, and authority for a program of construction or acquisition of housing for Eskimos and the sale of houses to Eskimos on such terms and conditions and at such prices as the governor in council may approve, $13,067,400.

50a. Construction or acquisition of buildings, works, land and equipment—To extend the purposes of vote 50 of the main estimates for 1964-65 to include payment of compensation, as the governor in council prescribes, to persons affected by the relocation of the town of Aklavik, $16,900.

Loans, investments and advances—

Northern administration branch—

L24a. Loans to the government of the Northwest Territories (hereinafter called the "territories") in the current and subsequent fiscal years, in accordance with such terms and conditions as the governor in council may approve, to enable that government to make mortgage loans to residents of the territories for the purchase or construction of low cost houses in the territories, $330,000.

Northern Canada power commission—

L25. Advances to the northern Canada power commission for the purpose of capital expenditures in accordance with subsection (1) of section 15 of the Northern Canada Power Commission Act, $6,450,000.

L30. Advances in accordance with agreements entered into pursuant to the Atlantic Provinces Power Development Act, $8,384,000.

HOUSE OF COMMONS

Monday, September 21, 1964

The house met at 2.30 p.m.

CANADA EVIDENCE ACT

AMENDMENTS TO EXTEND PRIVILEGE ON COMMUNICATIONS

Mr. John R. Matheson (Leeds) moved for leave to introduce Bill No. C-122, to amend the Canada Evidence Act (privileged communications).

Some hon. Members: Explain.

Mr. Matheson: Mr. Speaker, the purpose of this bill is to amend the Canada Evidence Act by inserting therein new sections to extend a privilege on communications between members of the public dealing with members of the clergy, the medical profession and social workers acting in their professional capacities. This is in accordance with the report of the committee on privileged communications to the Ontario civil justice subsection of the Canadian Bar Association.

The common law already confers a privilege from disclosure with respect to communications passed between a client and his solicitor. The rule is stated in Cross "Evidence" (1957), page 238.

The study and recommendations made by the Canadian Bar Association with respect to privileged communications have been spurred by the opinion expressed by Hon. Mr. Justice Stewart during the course of the trial in the case of *Dembie v. Dembie* in April, 1963. Mr. Justice Stewart expressed the opinion very clearly that a certain communication between a patient and her psychiatrist should be privileged from disclosure. However, there was no formal ruling made by the trial judge as to whether the communications previously referred to were privileged. Therefore, quite apart from the effect of the doctrine of precedent, the learned judge's opinion cannot be considered as a ruling which has become embodied in the law.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IDENTICAL PUBLIC WORKS TENDERS

Question No. 1,655—**Mr. Southam:**

1. How many instances has the Department of Public Works had in 1963 of identical tenders and how many to date in 1964?

2. Have these cases been reported to the combines investigation branch of the Department of Justice?

Hon. J. P. Deschatelets (Minister of Public Works): 1. In 1963, 87; to date in 1964, 52.

2. Thirteen have been reported.

PROTECTION OF ANIMALS USED IN RESEARCH

Question No. 1,771—**Mr. Scott:**

1. Did the government receive a submission from the council for laboratory animals dealing with the subject of the protection of animals used in scientific research and, if so, when was such submission received?

2. Does the government plan any action in this session with regard to the matters raised in the said submission?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1 and 2. Yes. A submission was received by the Minister of Justice and Attorney General in July, 1963, and in September, 1963 was passed to the Minister of National Health and Welfare for consideration. The views of the interdepartmental committee which had been formed in 1961 were sought. It was generally agreed that no agency of the federal government had authority to institute licensing or inspection over the control of laboratory animals handled by universities or private interests engaged in research work. It was also agreed that legislation establishing any such system would not be within the legislative power of the federal parliament but rather of the provinces. The Minister of National Health and Welfare directed that all laboratories in her department follow as a standard the code of treatment for laboratory animals which was adopted by the Canadian federation of biological societies and indicated that consideration would be given to having that code, or some mutually agreed

new code, adopted to ensure humane treatment of animals in all laboratories operated by the federal government.

SUBCONTRACTS TO FAIREY AVIATION

Question No. 1,785—**Mr. Coates:**

What was the estimated value of subcontracts received from prime contractors located in Canada by Fairey Aviation for the fiscal years, 1959-60, 1960-61, 1961-62, 1962-63, 1963-64?

Hon. C. M. Drury (Minister of Industry): The department is informed by the company that the following figures cover subcontracts with a value of over $10,000 received during the fiscal years noted.

1959-60, $12,000; 1960-61, $917,000; 1961-62, $2,470,000; 1962-63, $1,509,000; 1963-64, $1,312-000.

CIVIL SERVICE SUPERANNUATION FUND

Question No. 1,786—**Mr. Côté (Longueuil):**

1. What is the present amount in the civil service superannuation fund?
2. Where is such amount invested and at what rate of interest?

[*Translation*]

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. As at July 31, 1964, the balance in the superannuation account was $1,930,577,461.44.

2. The superannuation account is a part of the consolidated revenue fund. Interest is credited in accordance with the public service superannuation regulations. This is done on the last day of each calendar quarter at the rate of 1 per cent of the balance to the credit of the fund on the last day of the preceding quarter.

[*Text*]

DESALINATION OF SEA WATER

Question No. 1,790—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research on the desalination of sea water and, if so, at what institutions, and under whose direction is such research being conducted?
2. What is the annual cost to the government of each of these projects?

Hon. C. M. Drury (Minister of Industry): In so far as the national research council is concerned, the answer is as follows:

1. The division of applied chemistry has a program devoted to the separation of various constituents from single liquid phases by reverse osmosis. The work is pertinent to the desalination of sea water but the latter is only a by-product of the major research program. The work is supervised by Dr. S. Sourirajan.

2. The annual cost which can be ascribed to this portion of the research program is approximately $10,000.

DOMINION EXPERIMENTAL FARM EMPLOYEES

Question No. 1,838—**Mr. Cyr:**

At the dominion experimental farm of the Department of Agriculture (a) how many persons are casually employed (b) how many casual employees are French speaking (c) how many persons are permanently employed (d) how many permanent employees are French speaking?

Hon. Harry W. Hays (Minister of Agriculture): Of the total number of Department of Agriculture employees located at the central experimental farm, Ottawa, (formerly dominion experimental farm) (a) 98 are employed on a casual basis; (b) 14 are French speaking; (c) 1,245 are employed on a continuing basis; (d) 199 are French speaking.

UNEMPLOYMENT INSURANCE FUND

Question No. 1,851—**Mr. Howe (Hamilton South):**

1. What is the present financial state of the unemployment insurance fund?
2. What are its future prospects?

Hon. A. J. MacEachen (Minister of Labour): 1. On August 31, 1964 the unemployment insurance fund showed a credit balance of $18,-826,358.

2. It is expected that the contributions to the unemployment insurance fund will continue to increase the financial state of the fund until some time in December 1964. From approximately January 1965 during the heavy claims season it is expected that the outgo from the fund will exceed its income.

HAMILTON, ONT.—UNEMPLOYMENT FIGURES

Question No. 1,852—**Mr. Howe (Hamilton South):**

1. As of the end of August, 1964, what was the rate of unemployment in (a) Canada (b) Hamilton, Ontario?
2. Of those unemployed in Hamilton, what proportion received unemployment insurance payments?

Hon. A. J. MacEachen (Minister of Labour): 1. The precise information concerning the rate of unemployment is not available. The preliminary figures as of August 31, 1964 show that (a) in Canada there were 309,909 registrations for employment in the national employment service offices and (b) in the Hamilton local office area 8,592 registrations for employment.

2. The precise information concerning the proportion of unemployed persons in Hamilton, Ontario, receiving unemployment in-

surance payments is not available. The number of active claimants in the Hamilton local office area on August 31, 1964 was 4,879.

CIVIL SERVICE DEATH BENEFIT PLAN

Question No. 1,869—**Mr. Howe (Hamilton South):**

1. Are federal civil servants required to subscribe to a death benefit insurance plan and, if so, how many are now so enrolled?
2. What is the monthly premium and what has been the total paid by civil servants in the last year?
3. How many beneficiaries collected in the last year and what was the amount paid them?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. (a) The supplementary death benefit plan provided under part II of the Public Service Superannuation Act covers on a compulsory basis all persons employed in the public service provided that (i) they were contributors under part I of that act on July 1, 1954 and did not elect not to participate under part II on or before November 1, 1954, and have continued to be so employed, or (ii) they have become contributors under part I of that act since July 1, 1954, and (iii) in either case, they are not employees of a crown corporation or public board excluded from the operation of part II of that act by the public service superannuation regulations. (b) There were 175,306 members of the plan in the category described in paragraph (a) on March 31, 1964.

2. (a) The formal monthly premium for these employees is 10 cents for every $250 in the amount of basic coverage. (b) The total of their contributions in the fiscal year 1963-64 was $3,415,215.09.

3. 724 beneficiaries of persons in this category were paid $2,813,950 in the fiscal year 1963-64.

*OFFICIAL USE OF C.N.R. COACH "ACADIA"

Question No. 1,887—**Mr. Ricard:**

Which minister of the crown made use of the Canadian National Railways "Acadia" coach on the week ends of August 22, 1964 and August 29, 1964, and what was the official duty discharged by the minister concerned on each of the dates mentioned?

[*Translation*]

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): For many years now, coaches have been put at the disposal of ministers of the crown, when needed, and one of those, the "Acadia" was made available to the Minister of Forestry on the dates mentioned. Since those cars may be used to travel anywhere in Canada except in Newfoundland, ministers of transport have never made it a habit to inquire from their colleagues about the purpose of their trips.

[*Text*]

CONSTRUCTION OF SUPERINTENDENT'S RESIDENCE, CAPE BRETON HIGHLANDS PARK

Question No. 1,894—**Mr. Muir (Cape Breton North and Victoria):**

Has the government any plans for the construction of a new residence for the use of the superintendent of the Cape Breton Highlands national park?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): This matter is being studied at the present time but there are no plans for the construction of such residence.

CAPE BRETON HIGHLANDS GOLF CLUB

Question No. 1,898—**Mr. Muir (Cape Breton North and Victoria):**

1. What is the paid up membership of the Cape Breton Highlands golf club and what is the annual membership fee?
2. What is the annual amount of revenue derived from the green fees for each of the years 1954 to 1964 inclusive?
3. What was the estimated daily population using the facilities of the Cape Breton Highlands golf club house for the months of July and August, 1964?
4. What is the estimated square footage of the Cape Breton Highlands golf club house?
5. What is the estimated square footage of the lounge at the Cape Breton Highlands golf club house?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Thirty four; $2 per annum.

2. This revenue is as follows: 1954; $3,966; 1955, $3,575; 1956, $4,362; 1957, $4,898; 1958, $5,910; 1959, $5,798; 1960, $9,859; 1961, 10,559; 1962, $11,680; 1963, $12,146; 1964, not yet available.

3. Approximately 250.

4. 912 sq. feet of which 150 sq. feet is used for storage.

5. 155 sq. feet.

REPAIRS TO GOVERNMENT WHARVES, TOBERMORY, ONT.

Question No. 1,904—**Mr. Loney:**

Is the Department of Public Works considering any construction, renovation or repairs at the government wharves at Tobermory, Bruce county, Ontario?

Hon. J. P. Deschatelets (Minister of Public Works): The department is investigating a request for an extension to wharfage facilities in Little Tub harbour at Tobermory.

Orders for Returns

INTERNATIONAL COFFEE AGREEMENT

Question No. 1,921—**Mr. Mather:**

1. Is Canada a participant in the international coffee agreement?
2. When did the agreement become effective?
3. What was the price of coffee in Canada in the year prior to the agreement becoming effective?
4. What is the price today?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. Canada has been a member of the international coffee agreement since November 20, 1962.

2. The agreement became effective July 1, 1963.

3. Canadian average retail price of coffee, 1 lb. bag, July, 1962, $.756.

4. Canadian average retail price of coffee, 1 lb. bag, August, 1964, $.931.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVANTS EMPLOYED IN YORK-SUNBURY CONSTITUENCY

Question No. 1,709—**Mr. Coates:**

1. What are the names of the civil servants in all federal government departments employed in the constituency of York-Sunbury, New Brunswick?
2. What position does each fill?
3. What is the annual salary of each?

Return tabled.

NATURAL METHODS OF PEST AND WEED CONTROL

Question No. 1,803—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research on natural methods of pest and weed control, alternative to poison chemical control and, if so, at which institutions, and under whose direction is such research being conducted?
2. What is the annual cost to the government of each of these projects?

Return tabled.

WINTER WORKS PROJECTS, NORTHWESTERN QUEBEC

Question No. 1,820—**Mr. Caouette:**

1. What winter works projects were undertaken in Villeneuve county during the past season?
2. What was the cost of such winter works projects and what part of such costs was to be paid for or was paid for by the federal government?
3. Does the federal government still owe money to some municipalities in connection with such projects and, if so, what projects have not yet been paid for by the federal government?
4. What is the total federal contribution outstanding with respect to such winter works projects in Rouyn-Noranda county?
5. Has the government taken any steps to expedite the payment of any outstanding contributions with respect to winter works projects in Rouyn-Noranda county and, if so, what steps have been taken?

[Mr. Deschatelets.]

Return tabled.

EXTERNAL AFFAIRS

INDIA—INQUIRY AS TO INCREASED FOOD SHIPMENTS FROM CANADA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not know to whom in the serried ranks of the government I should direct this question, but I should like to know whether the statement made by the premier of Uttar Pradesh, one of the largest states of India, that a great many of its population are in danger of starving because of the food shortage, has been brought to the attention of the government, and what action Canada is going to take in this regard over and above the $7 million at present provided under the Colombo plan for distribution there.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, may I reply to the question put by the right hon. gentleman. As I said in the house the other day, the Canadian government has made known to the Indian government its willingness to help if requested. So far we have had no request from the Indian government for further assistance other than that now provided or planned.

Mr. Diefenbaker: And there has been no suggestion by anyone on behalf of the Indian government that assistance is peremptorily needed to meet an increasingly serious situation?

Mr. Sharp: Not as far as I am aware, Mr. Speaker. I will make inquiries to see whether there has been something during the last few hours of which I am unaware.

PUBLIC WORKS

CHURCHILL, MAN.—USE OF LIVING QUARTERS AT FORMER ARMY BASE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Public Works regarding the army base at Churchill, Manitoba, which was closed and turned over to the Department of Public Works. I understand that this has a capacity for 350 families and that 100 of the married quarters are vacant. I want to ask the minister why it is not possible for Canadian and

American personnel working for the Pan-American Airways to occupy these quarters; because I believe these people are living in very primitive conditions indeed.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, this is, of course, an important matter, and I think it would be better to wait till tomorrow at which time I will have all the facts to provide an answer.

UNEMPLOYMENT INSURANCE

MONTREAL—BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like once again to direct a question to the Minister of Labour which I put to the Acting Prime Minister last week and of which the Minister of Labour was to be informed.

Could the Minister of Labour tell us whether he intends to intervene with the unemployment office in Montreal so that employees of the newspaper *La Presse,* who are now without work because of a strike in a section of that newspaper, may receive unemployment insurance benefits?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have received notice of the hon. gentleman's question. It is true that the insurance officer adjudicating these claims has decided that the persons involved are not eligible for unemployment insurance benefits because of the particular work situation prevailing there. The employees affected have appealed this decision to the board of referees, and I understand that board is scheduled to hear these appeals at the end of the month, on September 30.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

Could the minister explain why the unemployment insurance appeal board was able to render a decision in the case of the Toronto newspapermen strike only three weeks after the strike began, while it has not been able to render a decision in the case of the Montreal strike, after three and a half months?

[*Text*]

Mr. MacEachen: Mr. Speaker, I understand that the insurance officer in Toronto decided in that case that the work stoppage had ceased, and that barring any other disqualifications the workers affected would be normally eligible for benefits. In this case the insurance officer has adjudicated that a work stoppage still exists. There is no indication that the work stoppage has ceased to exist, and the matter is now before the board of referees as provided for under the Unemployment Insurance Act.

BUSINESS OF THE HOUSE

REASON FOR DELAY IN ANSWERING STARRED QUESTION

On the orders of the day:

[*Translation*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, in the absence of the Minister of Transport I should like to put a question to his parliamentary secretary.

Could he tell the house why starred question No. 1,887 was allowed to stand last Wednesday, to be answered only today?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, that was merely due to a clerical error. We were supposed to have the reply on hand but at the last minute the minister and I realized that it had been left at the office.

[*Text*]

ADMINISTRATION OF JUSTICE

POINTE CLAIRE, QUE.—ARREST OF MEMBERS OF KINSMEN'S CLUB

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Could the minister tell us whether he has received a request from the solicitor general of the province of Quebec, Hon. Claude Wagner, that the Royal Canadian Mounted Police—

[*Text*]

Mr. Scott: Mr. Speaker, on a point of order, the translation system is not working and we are unable to hear the interesting remarks of the hon. gentleman.

An hon. Member: It is now.

[*Translation*]

Mr. Balcer: Mr. Speaker, I wish to ask the Minister of Justice whether he can tell the house if the solicitor general of the province

of Quebec has asked for the assistance of the R.C.M.P. in order to help the Quebec provincial police to arrest the 13 Kinsmen in connection with a lottery held at Pointe Claire?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I did not receive any such request from the solicitor general.

[*Text*]

VETERANS AFFAIRS

ROBSON, B.C.—EXPROPRIATION OF PROPERTY OF AGED VETERAN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise bristling with indignation to direct a question to the Minister of Veterans Affairs based on correspondence I received this morning from residents of Robson, British Columbia, who are very concerned about the abominable treatment being given a war veteran over 80 years of age, whose property has been taken by the B.C. hydro authority. I bring this situation to the minister's attention at their request, and ask that he have some official sent into the district to protect the rights of these older veterans who are helpless in the face of this octopus.

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I presume by "authorities" the hon. gentleman is speaking of the British Columbia hydro authority.

Mr. Herridge: That is right.

Mr. Teillet: At the moment I have no knowledge of this matter, but I certainly will make inquiries and have someone look into this situation to see what assistance can be given these veterans.

INQUIRY AS TO INCREASES IN PENSIONS

On the orders of the day:

Mr. P. V. Noble (Grey North): I should like to address this question to the Minister of Veterans Affairs. Is the minister giving consideration to increasing the pensions of war veterans, which appear to be inadequate at this time?

Hon. Roger Teillet (Minister of Veterans Affairs): I believe I answered a question about war veterans allowances and pensions two or three weeks ago in the house. I have nothing further to add at the moment.

[Mr. Balcer.]

NATIONAL DEFENCE

NATO—NON-PARTICIPATION BY CANADA IN NAVAL EXERCISE

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of National Defence. Would the minister advise why no units of the Canadian navy are participating in the important NATO fleet exercise beginning today?

Hon. Paul Hellyer (Minister of National Defence): Yes, Mr. Speaker. The Canadian navy is committed for another exercise undertaken jointly with the United States of America, and consequently are unable to participate at this time in the naval exercise taking place off the coast of Europe.

INFORMATION RESPECTING INTEGRATION OF ARMED FORCES

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of National Defence. Will the information to be presented to the United States service officers in respect of the integration of the Canadian forces exceed the information already available to this house?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker.

Mr. MacInnis: A supplementary question, Mr. Speaker. Does not the minister think he is wasting the time of our friends south of the border?

Mr. Hellyer: No, Mr. Speaker.

LABOUR CONDITIONS

HALIFAX, N.S.—PROVISION OF WORK FOR SHIPYARD PERSONNEL

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the fact that an article in the Halifax *Chronicle-Herald* of September 18 states that the normal 900 man labour force at the Halifax shipyards has been reduced to less than 300 men since August 21, after three years of steady employment at the yard, will the Minister of Labour inform the house what plans his department will propose to provide employment for so many skilled personnel who have been trained over a long period of years?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I do not for a moment accept the numerous allegations of fact in the hon. gentleman's question, but I thank him for raising the matter and I will investigate to ascertain whether the allegations in his question are correct.

Mr. Crouse: A supplementary question, Mr. Speaker. Does the minister state that the article in Friday's *Chronicle-Herald* is incorrect?

Mr. MacEachen: I have not said that.

D.E.W. LINE—STEPS TO AVERT STRIKE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Can the Minister of National Defence advise the house what steps he has taken in conjunction with the Minister of Labour to avert the possibility of a strike on the D.E.W. line?

Hon. Paul Hellyer (Minister of National Defence): I will ask my colleague the Minister of Labour to deal with this question. It is primarily his responsibility, and I believe he has received a report.

Hon. A. J. MacEachen (Minister of Labour): As hon. members may know, the report of the conciliation board was received recently. The board had spent a lengthy period attempting to reach an agreed solution to the dispute between the Federal Electric Company and the international brotherhood of electrical workers. The report was received recently. It has been rejected by the union in question. There has been considerable activity in this matter over the week end. The union has not yet taken a strike vote. The Department of Labour is of course ready to assist at the opportune time in any effort to mediate in the situation.

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. Have any representations been received from the United States or any of their officials for the minister to appoint a mediator to look into the dispute?

Mr. MacEachen: I have received no representations as yet on this point.

Mr. Lambert: Mr. Speaker, I have a supplementary question for the Minister of National Revenue. In the light of the great distance from Ottawa of the D.E.W. line sites and the difficulty in communication, can the minister advise the house whether appropriate steps have been taken to man the D.E.W. line in an alternative manner in the event that there is a strike?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I presume the hon. member meant to put his question to me.

Mr. Lambert: Yes, Mr. Speaker.

Mr. Hellyer: All I can say is that we have given some thought as to how the D.E.W. line could be operated in the event that a strike was called.

Mr. Lambert: A further supplementary question, Mr. Speaker. Does this envisage any gap in its operation, in the event of a strike?

Mr. Hellyer: I do not think it would be profitable to comment further. I have given the assurance that we have given this matter some preliminary thought. I think that is all I can usefully say at this time.

LOUISBURG, N.S.—LAY-OFF OF WORKERS AT HISTORIC SITE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour. I wonder whether the minister would use his influence with his colleague the minister of northern affairs in order to bring about a stop to the lay-offs at Fort Louisburg? While the minister is on his feet would he also assure the house that the original intent of this project, which was a make-work project for displaced miners, is still the policy of this government?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I would be glad to discuss, as I have already done, the project at Louisburg with the minister of northern affairs.

Mr. MacInnis: A supplementary question, Mr. Speaker. Would the minister answer the last part of my question? Is it still the policy of this government that this project remains, as it was originally intended, a make-work project for displaced miners?

Mr. MacEachen: Mr. Speaker, it is not customary to answer questions of broad policy on the orders of the day. I am sure my hon. friend will have observed from the hiring practices which have prevailed at Louisburg during the last year and a half that unemployed miners from various parts of Cape Breton have been given special consideration in this project.

Mr. MacInnis: A further supplementary question. I did not understand whether the minister said the "hiring" or the "firing" policy.

Inquiries of the Ministry

LABOUR RELATIONS

INTRODUCTION OF LEGISLATION RESPECTING LABOUR CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Is the minister aware of the fact that there are only nine calendar days left in the month of September, in fact only seven sitting days? Will he have the national labour code legislation on the order paper before the end of this month as he promised?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I am surprised that the hon. gentleman would even ask that question.

An hon. Member: Why?

Mr. Knowles: Mr. Speaker, is the minister not aware of the number of times we have been disappointed and put off? I think the question is one that deserves to be answered.

Mr. MacEachen: The hon. gentleman has not been put off or disappointed at any time, because all statements I have made with respect to this important piece of legislation have been fully borne out by subsequent events, and I am completely confident that the statement made on my estimates will be fully borne out by the calendar date suggested by my hon. friend.

Mr. Knowles: In other words, the minister could have said yes.

INDUSTRY

AUTOMOBILE PARTS—DISCUSSIONS WITH U.S. RESPECTING CANADIAN INCENTIVE PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to direct a question to the Minister of Industry. Has the government recently held meetings with representatives of the United States to discuss the automotive parts incentive program of the Canadian government; and in view of the urgent and widespread interest in the matter did the government offer to make alterations in the program, what was the nature of the alterations, and what degree of acceptance did such alterations receive from the United States officials?

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

[Mr. MacInnis.]

FINANCE

TAX HOLIDAY FOR POTASH FIRMS USING SOLUTION METHOD

On the orders of the day:

Mr. Reg. Cantelon (Kindersley): Mr. Speaker, I had a question for the Prime Minister or the Minister of Mines and Technical Surveys, but in their absence I am prompted to direct it to the Minister of Trade and Commerce. Would he state whether a three year tax holiday has been granted to potash firms using solution mining methods to encourage production, as was done for shaft mining for potash? If this has not been done, I wonder why it has not been done?

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

REQUEST FOR DELAY IN FINAL SALES TAX INCREASE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the fact that the cost of an average price winter built home will increase by about $600 as a result of the final 3 per cent increase in the sales tax, bringing the total tax up to 11 per cent; and having in mind also the high cost of winter building, will the minister consider delaying this increase in taxation until late spring?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, first of all I cannot accept the premise on which the question was based. I can assure the hon. member, however, that the government has no thought of changing the present tax legislation to which my hon. friend has referred.

Mr. Eric A. Winkler (Grey-Bruce): I have a question to ask the Minister of Finance supplementary to that asked by the hon. member for Wellington South concerning the winter housebuilding program and the proposed 11 per cent sales tax on building materials. Will the minister make representations to the government to ensure that the bonus paid in respect of winter built homes will be increased accordingly, so the public will not be further deceived in this regard?

Mr. Gordon: I am not worried about the public being deceived—

Some hon. Members: Oh, oh.

Mr. Gordon: —in this regard, Mr. Speaker; I think the public is very well satisfied with the way things are going.

CANADIAN BROADCASTING CORPORATION

TAPE RECORDING OF QUEEN'S ACTIVITIES TO FOLLOW LIVE BASEBALL TELECAST

On the orders of the day:

Mr. Ralph Cowan (York-Humber): Mr. Speaker, I have a question for the Secretary of State but in his absence I will direct it to the parliamentary secretary. In C.B.C. press release No. 169 dated last Friday we are advised that on the afternoon of Saturday, October 10 the Queen of Canada will go to the Citadel for ceremonies with the Royal 22nd regiment, including dedication of a memorial chapel, and that this event will be videotape recorded for broadcast at the close of the world series baseball game that afternoon. Does the world series game take priority over the activities of the Queen of Canada because of its higher Canadian content?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will be pleased to bring this question to the attention of the minister.

EDUCATION

STUDENT LOANS—STATEMENT RESPECTING CREDIT UNIONS, PROVINCIAL QUOTAS, ETC.

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): I wonder, Mr. Speaker, if I might reply to a number of questions that were put to me on Thursday and Friday of last week in connection with the student loans legislation.

The hon. member for Comox-Alberni raised some questions about credit unions, and in particular I believe asked why they had not been included in some of the publicity that was arranged in connection with this program. I should explain that the main source of the detailed information on the plan which was prepared for the public is a brochure which has been given very extensive distribution. This brochure explained that some credit unions are expected to make arrangements to provide loans under this plan. It is, therefore, not correct to say that all publicity in connection with the Canadian student loans plan omitted any reference to credit unions.

A number of advertisements in newspapers and by radio across the country just prior to and following the Labour day week end were primarily designed to draw the attention of students to the fact that loans were available. At that time arrangements for the designation of credit unions as lenders had not been completed, and the advertisements did not specifically mention credit unions.

The letter to which the hon. member referred in his question took issue with the omission in a recent brief television interview in connection with the Canada student loans plan. In my reply to this letter I pointed out that a credit union may be designated as a bank under this act. I assured the league that I am fully cognizant of the important role played by credit unions in the field in which many of them have done pioneer work. In this connection hon. members will be interested to know that a first group of credit unions will be formally designated as banks for the purposes of the Canada Student Loans Act some time this week.

The hon. member for Saint John-Albert, I think it was on September 17, asked if I would table or make available the different quotas for each of the provinces. Hon. members may recall that on July 14, 1964 I gave the house approximate figures for the provincial allocations. The final figures for the loan year ending June 30, 1965 were sent to the provinces on August 21, 1964. They are as follows: Newfoundland, $1,176,000; Prince Edward Island, $232,000; Nova Scotia, $1,736,000; New Brunswick, $1,416,000; Quebec, $12,964,000; Ontario, $12,440,000; Manitoba, $1,968,000; Saskatchewan, $1,908,000; Alberta, $2,852,000; British Columbia, $3,236,000; Yukon, $24,000; Northwest Territories, $48,000.

The hon. member for Athabasca asked a question in respect of the allocation to students in the Ottawa area. As I explained last Thursday, whatever regional limits there may be within a province on the amount of loans available to students are set by the provinces and are outside my jurisdiction. In this connection I have been advised by the Ontario authorities as follows:

> In Ontario, because a large number of institutions were named as issuing agencies, authority was given to each institution to issue certificates of eligibility up to an initial specified amount. Such a procedure was necessary in order to ensure that, in total, the 44 issuing agencies did not exceed the provincial allocation. The individual allocations were made on a proportional basis and for institutions in the Ottawa area the initial allocations totalled $830,000.

In the letter of instructions sent by the minister of university affairs to each institution it was stated:

—if (your) maximum total is reached during the year you are asked to withhold issuing any additional certificates of eligibility until the availability of additional loan funds has been discussed with the department of university affairs.

No final limit has been set for any Ontario institution. If any institution in Ontario finds its initial allotment temporarily inadequate to meet demand, it should communicate with the department of university affairs as it has been directed.

The final question on this subject was asked by the hon. member for Hamilton South. He asked whether I had received representations from the Canadian union of university students requesting a supreme court ruling or a test case on the Canada Student Loans Act and, if so, what had been my reply. The answer is that I have received no such representation.

Mr. Reid Scott (Danforth): In view of the minister's statement over the week end reporting very buoyant revenues to the government, I wonder when we can expect implementation of the promise of 10,000 scholarships.

Mr. Gordon: I am pleased that the hon. member should refer to the statement I made over the week end with regard to the greatly improved position of the Canadian economy. If I remember correctly I pointed out that this was due primarily to the success of the policies which were approved by this house last spring and summer.

Some hon. Members: Hear, hear.

An hon. Member: Devaluation.

Mr. Gordon: I would be glad to send the hon. member a copy of my speech. It will perhaps make things clear to him. In answer to the specific question raised, I will be glad to make an announcement at the proper time.

Mr. A. D. Hales (Wellington South): My question relates to the announcement made by the Minister of Finance. If I heard him correctly—and the hon. gentleman will no doubt correct me if I am wrong—he said that the allotment to the province of Quebec in respect of student loans amounted to $12,500,000, while only $12,400,000 had been allotted to Ontario. In other words, Ontario will be getting $100,000 less than Quebec. On what basis were these figures arrived at, and why should there be this difference?

Mr. Gordon: The allocations, as the hon. member may recall, because they were discussed at some length during the debate on this legislation, were based on the number of students at post-secondary or high school level. At the moment there happen to be more in Quebec than in Ontario. That is how these figures were arrived at. I should also point out to the hon. member that Quebec has decided not to come into this plan. Quebec has its own plan, so a different formula applies in that province.

Mr. F. J. Bigg (Athabasca): On Thursday it was suggested by the minister that I was mixed up in my zeroes. I was not mixed up in my zeroes at all. I have found now, much to my satisfaction, that the ceiling in the Ottawa area is $830,000 instead of $400,000 and that, as I said, there are about 5,000 students in the Ottawa area who may wish to take advantage of loans. Already 265 applications have been turned down. I wanted to make sure these students were not left without funds, and that is the reason I asked my question.

Mr. Gordon: I apologize for my suggestion that the hon. member would ever become mixed up in his zeroes. I am sure he would not, and I apologize for anything I said in that regard. As I said a moment ago, when the allotment for students has been used up the authorities concerned should get in touch with the department of university affairs in Toronto.

DOMINION-PROVINCIAL RELATIONS

CONTINUATION OF PRESENT PROVISIONS RESPECTING SHARED PROGRAMS

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): I wonder if I might take this opportunity to deal with a question on another subject which was asked on Friday of the Prime Minister by the hon. member for Burnaby-Coquitlam. After making a reply, I think to a supplementary question, the Prime Minister said he would look into the supplementary question and reply today, or as soon as he could. It is in connection with the Prime Minister's reply on Friday to the question asked by the hon. member for Burnaby-Coquitlam concerning the government's proposal for contracting out operations in respect to cost sharing programs that I wish to elaborate.

The hon. member asked whether the several features of the contracting out option, including the tax abatement provisions and the preservation of the present undertaking in respect of such programs as hospital insurance, old age assistance, etc. were designed to apply during the interim period provided for.

The answer is yes, Mr. Speaker, as the Prime Minister has said. I would like to add only one observation. The policy with respect to shared cost programs after the interim period will undoubtedly be the subject of intensive federal-provincial deliberations during the next 18 months, including those of the tax structure committee and the federal-provincial conference.

Mr. T. C. Douglas (Burnaby-Coquitlam): Will it be government policy to bargain with the provinces to see to it that any extension of the tax abatements or transfers from the federal treasury to provincial treasuries will go hand in hand with a continuation of the reciprocity and national uniformity provisions?

Mr. Gordon: In answer to that question I would call attention to the work to be done by the tax structure committee which was set up jointly by the federal and provincial governments, as has been reported earlier. It is our earnest hope that this committee will be able to arrive at a unanimous decision, or a united decision, which will constitute its recommendations. I do not, therefore, wish to say that the federal government will take a positive decision until we have the benefit of the report or recommendations of this joint committee.

AGRICULTURE

POULTRY—INQUIRY AS TO STEPS TO MAINTAIN PRICES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I have a question for the Minister of Agriculture. In his absence I should like to direct it to his parliamentary secretary. It relates to a statement the minister made that turkey and poultry prices generally are higher now than they have been for the last four years. Could the minister explain why Mr. Olaf R. Olson of Spalding, Saskatchewan, received only $8.35 for 99 chickens he sold to the Saskatchewan co-operative creamery association at Humboldt? These chickens were all graded A and B; nothing less than C. He received—

Mr. Speaker: Order. This is undoubtedly an important matter of principle, but in my opinion the minister now understands the question and will answer in due course.

Mr. Rapp: This is a matter of such great importance that I would like to take it up at ten o'clock tonight.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, may I ask a question of the Acting Prime Minister. When can we expect an answer from the government to the numerous requests that have been made on behalf of turkey producers throughout Canada? This matter has gone on for such a long time now that the producers are in extremely bad shape, and the government just do not seem to be doing anything about it. They lifted the quota off, and it is time we had an answer.

Hon. Paul Hellyer (Acting Prime Minister): I would say, Mr. Speaker, at the appropriate time.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I make due allowance for the tremendous absence of ministers, but this is a problem that has to be met now. It is a serious situation. A telegram was received today by me, and I think also by the government, from the turkey producers of British Columbia to the effect that their industry is being ruined by delay on the part of this government in taking action. Surely the parliamentary secretary to the Minister of Agriculture in the absence of the minister, can give some assurance to the house in this respect.

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, on September 10 the Minister of Agriculture made a statement, which he confirmed last Thursday or Friday. I will read the statement, which appears on page 7826 of *Hansard*. This was in answer to a question asked by the hon. member for Humboldt-Melfort-Tisdale:

> Mr. Speaker, turkey prices are consistent with what they have been in the last four years. As a matter of fact they are a little higher. In the last two weeks there have been no importations of turkeys from the United States, and turkey prices are fairly firm.

Then the minister said he would be discussing these problems with the producers in Winnipeg last Monday. When he came back he said he was expecting to make a further announcement with regard to this problem later on. As hon. members know, the minister is in France on official business, and will be back in the house on Wednesday.

Mr. Pugh: A supplementary question, Mr. Speaker. The minister, then, would not agree with the contents of this telegram, which reads as follows:

> Is our government aware of the impending financial disaster awaiting the turkey industry of B.C. unless some immediate corrective measures are taken. Large scale importations of American turkeys at unrealistic prices have depressed returns to

growers here to the point where even the American producers are no longer interested in shipping into Canada, an extremely discouraging situation for the Canadian producer. This association with 350 members fervently expects some action to be taken to avoid such a development which would very seriously and adversely affect—

Some hon. Members: Order.

Mr. Pugh:

—not only turkey producers but feed industry and others.

Does the minister agree with that, or not?

Mr. Speaker: Order, please.

Mr. C. O. Cooper (Rosetown-Biggar): Mr. Speaker, in the statement the minister just made he said no turkeys have been imported during the last month. Is this an indication that the United States are holding off and are going to ship turkeys in for Thanksgiving and Christmas, and ruin the Canadian market for those holidays?

Mr. Speaker: Order. The question, though interesting, I do not think is proper.

REPORT OF EASTERN CANADA FARM SURVEY

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of Forestry. It might be of greater interest to the Minister of Agriculture but, since he is not here, perhaps it could be forwarded to him. The Quebec minister of agriculture, Mr. Courcy, stated that he was waiting for the report from the federal government on agriculture in eastern Canada before deciding on what course to take. Could the minister tell us what is the nature of the report with respect to the investigation the federal government is allegedly making about agriculture in eastern Canada and when we can expect that this report will be published?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I would like to acquaint myself with Mr. Courcy's statement in order to reply to that question accurately.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to direct a supplementary question to the minister.

Has he not met Mr. Courcy over the week end and has he not then discussed that question with him?

Mr. Sauvé: No, Mr. Speaker, unfortunately.

[Mr. Pugh.]

[*Text*]

CANADIAN CITIZENSHIP

SUBSTITUTION OF AFFIRMATION AS ALTERNATIVE IN OATH OF ALLEGIANCE

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I would like to address a question to the Minister of Justice. Is the minister now in a position to inform the house regarding the possibility of affirmation of the oath of allegiance by prospective citizens?

Hon. Guy Favreau (Minister of Justice): No, Mr. Speaker, but I count on being able to do so very shortly.

HOUSE OF COMMONS

INCLUSION OF INTERPRETERS AND TRANSLATORS IN INTERNAL ECONOMY COMMISSION DIRECTIVES

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, in the absence of the Secretary of State, I should like to direct a question to his parliamentary secretary.

Did the order passed by the internal economy commission and announced by Mr. Speaker last week include the employees of this house who belong to the departments of translation and interpretation? In the negative, does the minister intend to make an explanatory statement on that matter in the near future?

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary to State): I take notice of this question, Mr. Speaker, and will bring it to the attention of the Secretary of State.

INCLUSION OF PROTECTIVE STAFF IN SALARY REVISION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the President of the Privy Council. Were the protective staff included in the increases awarded the staff of the House of Commons in the announcement made last Friday? If not, why not?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I would point out that this is not a matter for the President of the Privy Council. This is a matter for the Speaker, and the method of communicating with the Speaker is by letter.

INDIAN AFFAIRS

WINNIPEG—INVESTIGATION OF FOSTER HOMES FOR CHILDREN

On the orders of the day:

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, the other day the hon. member for Winnipeg North Centre asked me about a report that appeared in the Winnipeg press to the effect that an Indian child has been mistreated in a boarding house in Winnipeg. I have now had a chance to investigate this matter, through my officials, and should like to advise the house as follows.

I am informed that it is not correct to state that children are placed in foster homes in Winnipeg that have not been investigated. Following discharge from hospital, it is often necessary to find a boarding house for an Indian child pending arrangements for transportation and escort to his home in the north, or sometimes to continue with his medical treatment as an out patient. Some of the homes so used are licensed by the city of Winnipeg as boarding homes for children. Where these are not available, placements are supervised by departmental officials. We are informed that short term boardings are not necessarily licensed by the province or by the municipality and, as I have said, where such licensed homes are not available, placements are made and supervised by our departmental officials. These officials, because the children have just left hospital, are in almost constant daily contact with the children and their temporary homes.

In this particular instance we had previously placed children in this home. The woman in question had satisfactorily cared for five children in the last six months for periods of from two weeks up. There was no evidence of any previous mental history and no knowledge of mental instability on her part. The selection of homes which my department makes in regard to these Indian children is confined to married women with children who maintain homes and children in a satisfactory manner and have suitable accommodation for short term boarder placement. After an initial visit by a member of my departmental staff, periodic visits are made and the condition of the children during the stay and on leaving the boarding house is noted.

When the little girl in question was discharged from the children's hospital on April 2, 1964, she was taken by a member of our department to the home of Mrs. K. Wall. On April 9 the department's Winnipeg office was notified by her husband, Mr. Wall, that the infant had fallen out of the top bunk bed and had been taken to the children's hospital emergency ward by Mrs. Wall.

One of our medical officers immediately investigated and was told by hospital authorities that the child's injuries were not consistent with the story told of their having resulted from a fall. Therefore immediate action was taken to notify various authorities and to have an investigation undertaken, which resulted in referral to the attorney general's department for police investigation.

The hospital's social service department then visited the home in question to persuade this lady to voluntarily accept psychiatric help. This was done on a voluntary basis before the case came up in court. It is very deeply regretted that the baby in question has sustained what is apparently permanent mental injury, but I know of no way in which any of my officials might have known in advance that this could possibly happen, or could have avoided it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I just ask the minister one question. Is she now telling the house that there is no question but that all these homes are investigated before Indian children are placed in them? This was the part of the report in the Winnipeg *Free Press* last Friday which seemed most disturbing.

Miss LaMarsh: Mr. Speaker, I am informed that this particular home was initially recommended to us by another married woman who had one of our short term boarders. An investigation was made; people went there and met Mrs. Wall, looked at her accommodation and talked to her. She has had five children, short term boarders before with never any trouble.

FISHERIES

NORTH PACIFIC TREATY—REQUEST FOR REPORT ON NEGOTIATIONS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Fisheries. Is he in a position to make a report to the house on the negotiations among Canada, the United States and Japan concerning the north Pacific treaty? If he is not in a position to do so, when will he be?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as the hon. member knows, negotiations are under way in Ottawa

and have entered the third phase following meetings which took place in Washington and Tokyo last year. I am confident that the negotiations are proceeding satisfactorily and that we will be able to come to an agreement.

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, a supplementary question. When the minister brings in his report on this agreement, could he give the house some indication of the plans which the Japanese may have for constructing facilities for use as a common market base at St. Pierre and Miquelon?

Mr. Robichaud: Unfortunately, Mr. Speaker, the questions being discussed in the meetings now taking place between Canada, Japan and the United States have nothing to do with the supposed program of the Japanese to establish a base at St. Pierre and Miquelon, so I would be unable to make a report on this matter, which does not directly involve Canada. If this is the case, then this is a problem which concerns the governments of France and Japan.

SUPPLY

Hon. Walter L. Gordon (Minister of Finance) moved that the house go into committee of supply.

FAILURE OF GOVERNMENT TO MEET NATIONAL PROBLEMS

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, on these occasions the opportunity is given to members of the house to place before the country matters upon which, in the opinion of the opposition, the government has failed to discharge its responsibilities.

The motion in question is one which goes back to the earliest days. I am going to mention the purport of the motion, because frequently it is misunderstood. It is a principle of our constitution that the House of Commons shall control the finances of the country. For almost 550 years that right has been asserted in varying degrees, until within the last 200 years it has been fully confirmed and is no longer subject to dispute. In other words this motion provides the opportunity—and I quote from citation 234 of Beauchesne's fourth edition—for asserting that:

> The ancient doctrine that the redress of grievances should be considered before the grant of supplies is maintained in the House of Commons of Canada.

The motion permits a wide discussion, and a discussion in the House of Commons which is not limited by the rules. In fact the decision of Speakers throughout the years has been that members may discuss various questions on the motion for the Speaker to leave the chair, and a great latitude is allowed on these occasions.

I do not intend to speak at very great length today, Mr. Speaker. Some 17 months have gone by since the present government took office, and what has taken place in the intervening months causes one to read with interest the views expressed by the Prime Minister in his address to the nation on the day after the change of government. These words will take their place with other words uttered by those who will always regret having done so. These words, grandiloquent in their construction, provided a promise and a blueprint which in the light of experience will be either condemned or approbated. He said:

> The task ahead then is immense but it is not frightening. It is complex beyond simple description, but it is not impossible. It will not be an easy time, but it will, I pledge you, be a time to excite the daring, to test the strong and to give new promise to the timid. It will indeed be a time of direction and decision, where our efforts are sustained, our purpose clear and our faith high.

Mr. Speaker, those words as a guide to the government were great in their conception, and have been awful in their execution. I am sure even the most patient supporter of the government must laugh inwardly when he thinks of those words and the degree to which this government has failed in the implementation thereof.

Your Honour, as everyone knows there are six of these motions provided by the rules. In the month of May we passed up one opportunity to debate the motion. So far there have been three motions. On April 20 the amendment moved to the motion was that this house deplored the announced decision of the government to abandon its responsibility for the administration of veterans hospitals. The next amendment to supply motion was made on May 4 having to do with a co-ordinated national water policy, and suggesting the establishment of a national advisory committee on water resources and an acceleration of the application of ARDA policies, the expanding of water and other resource development programs conceived and established by the previous Conservative government. That motion, while defeated, in light of subsequent events has proven to have been an understatement.

The next motion was made on May 25, and the amendment was:

This house regrets the continuing failure of the government to take effective action with regard to the pressing agricultural problems of eastern Canada.

That situation is the same today as it was then, with the perambulating Minister of Agriculture being everywhere but in the House of Commons while the problem for the farmer in eastern Canada becomes worse and worse. An example today had to do with the turkey industry. When the hon. member for Okanagan Boundary referred to the situation in respect of that industry all he received was the same old push-off on the part of this government.

Those three amendments in the light of subsequent events have been shown to have been well founded, irrespective of the votes that took place in the house. Under the rules two days are provided for debate and there is still one more motion to come up, though there has been an informal agreement entered into—which is as equally as binding as if it were formal—that supply motion No. 6 will not be proceeded with because of the desire of hon. members to get on with the business of the house.

These motions give the opposition an opportunity to analyse the shortcomings, weaknesses, failures and retreats of the government in the administration of the affairs of the country. Of course the limitation on discussing those matters is that we should not be too general but should particularize. Sir, there have been so many failures on the part of this government in 17 months that any catalogue of unfilled promises could result in an amendment being moved that would be longer than any other moved in the history of parliament. Unfilled promises and uncertain and fumbling courses have made a mockery of the words of the Prime Minister in April, 1963.

Sir, we have a government that seems to have no compass, no sense of direction and no chart but that of expediency; a government whose slogan might well be tax and tax, spend and spend, retreat and retreat. That has been the history of this government, and no particulars are necessary. The evidence is apparent in every department of government. This is a government of indirection that, for some reason known only to itself, with the exception of one or two matters that have been before the house, has been so confused with legislation so ill conceived that it either has had to withdraw what it had advanced, amend what it had decided upon or repair and amend the original plans placed before parliament. It is a government that nationally has failed to bring about anything approaching national unity. It is a government that has failed to deal with the centrifugal forces that threaten the unity of Canada. It is a government that in 17 months has brought about greater divisions in this nation than had ever been seen or could possibly have been imagined since confederation. In every department it is a government that has been weak and inefficient, dawdling and uncertain, and has failed to bring before parliament legislation covering those matters that are necessary. It is a government that has increased taxation; a government that, at a time when taxation should be reduced, is taking the very opposite course.

Mention has been made today of the sales tax on production machinery and on building materials. Sir, no other nation in the western world imposes such taxes, yet this government going contrary to every economic advice it would receive from those who are experienced in the civil service of the country, brought in that tax while we in the Conservative party stood against it. It has paid off as far as revenue is concerned. I have not the latest figure, but the information I have available indicates that in January the total tax was $8.2 million, in February $7.5 million, in March $11.4 million, in April $10.3 million, and in May $13.4 million. Those are taxes imposed on progress in this country.

We took strong objection to this and continue to do so. Almost every economic and business organization in Canada has condemned this tax, but the government has refused to act. The total amount collected in 1963-64 was some $62 million. I have told the house what the figure was up to the end of May.

What has this tax done? It has simply been a clog on development. It is all very well to talk about the great expansion in building and the like, but when you deduct from expenditures 8 per cent tax that is now in effect the jubilant figures that are put forward become less optimistic in their effect. And so I could go on throughout the entire picture of development on the part of the government.

We believe the time has come for a substantial reduction in taxation. We said during our period of office that Canada was on the upgrade, that the economy was on the way up, but those gloomsters opposite said "nothing of the kind". Now they admit that 45

months ago the Canadian economy started to rise. Furthermore, they ridiculed us when we brought into effect the pegging of the dollar which induced and brought about a tremendous expansion in our trade. Ridiculed when in opposition, it has now become the cornerstone of their policy when in office.

With regard to the field of trade, the Minister of Finance, having secured a great victory in convention on Saturday—he is better in conventions than he is in parliament—dealt expansively with the economy. I should like to have heard him on the question of trade. I should like him to tell the house and the country why it is that in the field of trade our imports are increasing at a substantially greater rate than our exports. I should like him to tell us what the situation is as to the balance of payments. Certainly Canadian producers and manufacturers are having more and more difficulty competing, operating as they do with the load of the tax on production machinery. These are things upon which information should be available. These are things that optimistic statements cannot brush aside.

I mentioned a moment ago something of the situation with regard to Canadian unity. Can you imagine a government which sets up a committee for the purpose of looking into the effects of separation? I know the Prime Minister stated he really did not have that in mind, but I am going to read from *Hansard* of June 26 last where, as found on page 4780, he was asked whether he would consider a study being made of the economic social and political effects on the rest of Canada of separation, in view of the need for clarification of this subject. The Prime Minister replied:

> Yes, Mr. Speaker, we have been considering the matter. It is not a subject which lends itself to easy investigation and dogmatic conclusions, but officials of the government are making that kind of investigation now.

There can be no misunderstanding there, and the same position was repeated the other day in the house. When everything should be done to bring about unity in the nation, this government admits to a spirit of defeatism by setting up a committee of civil servants to look into the effects of separation. And so on in the whole picture.

I mentioned agriculture in eastern Canada. I could deal with the field of unemployment and how the government was going to meet that problem. All that was needed was for them to take office and unemployment would disappear. That was the undertaking. We do not hear much about unemployment today in spite of the fact that it is at a very high level. We hear little or nothing about that. This is the party that promised much in every field of endeavour.

This cursory outline would indicate that if we were to move an amendment to cover the shortcomings of the government we would have one lengthy and filled with detail, for in every sector of government there has been failure. I look at these giants opposite and think of what they promised. I am not going into the record of the campaign promises of 1962 and 1963. I am simply mentioning one or two matters which indicate the situation. They do not know where they are going. They start, they go forward, they retreat. In almost everything they do they emulate the man on the flying trapeze. Oh, there is plenty of action. You see them moving, and then they go back. That has been the story of the present government.

We have been criticized for bringing in amendments. Many have said, why bring in amendments because you know what the result will be? The government has allies, and those allies stay with the government whenever there is a challenge in the form of an amendment. At least, they stay with it to the extent that will assure that whatever the amendment may be, however well founded it may be, it has no possibility of acceptance. That has been the story throughout the picture.

We have been criticized for moving amendments knowing they would be defeated. We know that whatever amendment we might move today, we could expect it to receive the same treatment that all amendments, however beneficial, have received in the past. In addition, we want to get on with the business of the country. We do not want to hold up the government. We have examined a great portion of the estimates during discussions on interim supply. We are most anxious that all departments of the government shall be opened so the necessary examination may be completed at the earliest possible date. All we want is to get the departments before the house, and we will deal with them effectively and I hope efficiently. We do not want to delay. We just want to help the government get these estimates before the house so that we can discharge our responsibilities.

We have had to wait for a long while since the last motion of this type. We want to have the opportunity to look into these

matters. We have no confidence in the government, but to move an amendment would, on the basis of past experience, be a continuing experiment in hope without expectation.

We therefore take this general stand. We have made clear the fact that we have no confidence. The record of the government has been one of uncertainty and worse. There are great issues. We are waiting for the pension bill; when will it come? Well, you remember that when the first one came in, Mr. Speaker, the Minister of National Health and Welfare said this is the finest thing ever. She said, "If you do not pass it, you will not have me." We did not get the opportunity, and we still have not. Then there was the second edition. There is a third edition now in drydock. Eastern agriculture has been forgotten by the government. The government has done nothing but borrow and apply our ARDA program, then carry it out with less effectiveness than it deserves. There has been no action to assure new hope for eastern agriculture. All the way across the picture there is the same attitude. Northern development is down to a trickle.

In every field of operation we have seen this uncertainty, this failure to grapple with problems. This action of bringing in the flag was taken in order to cover up the government's failure in so many other fields of endeavour. We have seen all that. It needs no amendment to establish it; we simply state our case.

I mentioned a moment ago that there has been criticism about the moving of amendments. We have been asked, why do you move amendments? Well, it is a course that good parliamentary procedure usually dictates. We find, however, it is being interpreted as a desire to bring about an election. We do not want to be misinterpreted. It has been explained also by a certain leading front bencher that these amendments prevent the government from grappling with problems. If only the opposition were not there, what they would do. We want to give them the opportunity at once to bring in the departments that are not before the committee as yet, so they can be examined.

Before I sit down, let me repeat that the fact we have not moved an amendment does not mean we have changed our attitude in any way. It simply means we are trying to bring about the effectiveness of which the Prime Minister spoke. We want parliament to come to grips with the estimates so we can get them out of the way. Having said that, I conclude.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker—

Mr. Knowles: Mr. Speaker, should you not announce that if the minister speaks now he will close the debate?

Mr. MacEachen: No.

Mr. Speaker: I did not think it was necessary.

Mr. Knowles: The rules require it; standing order 37(3).

Mr. Speaker: If hon. members wish me to do so, I will announce that if the minister speaks now he will close the debate.

Mr. Gordon: Mr. Speaker, I would—

Mr. Speaker: The hon. member for Lapointe.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it is important that the business of the house be not unduly delayed, and as far as I am concerned, I shall hardly delay it for more than a few minutes. However, I feel that we cannot allow certain statements to go unanswered and that we have to establish a certain policy with regard to our concepts.

Mr. Speaker, everything the leader of the official opposition (Mr. Diefenbaker) just stated with regard to this government is valid. When he blames this government for increasing taxes, I cannot but support him. When he blames this government for its continual retreats, I cannot but support him; when he upbraids this government for the economic situation of this country at this time, I cannot but approve him; and when he criticizes this government for its indecision and continual retreat, I have to support him.

But there is another thing I want to add. When the Leader of the Opposition was head of the last government conditions were worse than those we know today, or at least as serious.

When the two old parties are in power we see perpetual tax increases; we see indecision and feel a general economic disorder. Indeed, we may well remember the economic situation in 1959, 1960 and 1961, when the present Leader of the Opposition was in office. At that time things were far from being rosy. Taxes were very high, as was the number of unemployed.

The present Leader of the Opposition, who was then prime minister, was well known for his inability to take decisions.

Mr. Speaker, when in opposition you criticize the government's decisions. That proves

one thing: when the two old line parties, Whig or Tory, Liberal or Conservative, are in opposition they claim that they can do everything and blame the government. But when they are in office they are no longer able to do anything except increase taxes, increase unemployment, show more indecision and preside over a disastrous economic situation for a country as wealthy as ours.

On many occasions in the last few weeks the Leader of the Opposition has been talking as if the third parties were the allies of the government. Now if we look up the *Votes and Proceedings* of the house and especially the votes taken in the course of the last 12 months, we note that the principal friends or allies of the government are not the third parties but rather the members of the Conservative party, because when there is an important vote we note that there are nearly always 30, 35, 40 and even 45 conservative members absent.

Indeed, I remember that on the occasion of an important vote, when barely 12 more votes would have upset the government, I could not keep from mentioning in this house that if the 40 Conservative members absent at that time had been present in the house the government would have been defeated.

In this case, who is the principal ally of the Liberal government?

A short time ago, I think it was in Charlottetown, the leader of the Conservative party stated that the Ralliement Créditiste always followed the Liberal party. Let him figure out the number of votes taken in this House of Commons since he has been in opposition, the number of times the Ralliement Créditiste voted against the government and the number of times the Conservative party voted with the government compared with the number of times the Ralliement Créditiste did. I think that he will be surprised to find that his party voted with the government more often than the Ralliement Créditiste ever did. Let the leader of the Conservative party base his information on figures and then he will stop referring to third parties who are the allies of the government and realize that, on the contrary, his own party is the first ally of the present government.

Mr. Speaker, I agree with the statements just made by the leader of the Conservative party concerning the spirit of indecision and retreat of the present government. However, when one realizes that it is the same thing when either of the two old parties is in power, one cannot help note a very important point, and it is this: Canada needs and must choose a new government, formed with a new party and not with those two old parties we have had since confederation. They have not succeeded in giving our country an economic, political and social system that would enable this nation to develop completely and fully with all its resources and potential. Indeed, they only succeeded in administering the debt in terms of taxes, economic slump and unemployment as we have at this time.

I maintain that Canada will have to call on new ideas, a new system, a new organization of the development of our natural resources, if we really want to have a full development.

The Leader of the Opposition mentioned a while ago the existing divisions in Canada. It may be true that there is some dissension, but I feel the ones who are mostly to be blamed for that are still those who would like to continually raise the English against the French or the French against the English although there is room for both ethnic groups in this country.

The Leader of the Opposition is probably one of the persons largely responsible for the disunion now existing, not only in the country but also within his own party. He has succeeded in creating within the Conservative party an image of the same disunion now existing all across the country. You do not have to look far to find out who is responsible. You only have to look at his own chair to see one of the first persons responsible.

As far as we are concerned we declare that there is room for everybody in Canada, for all groups, and even the smaller groups who came to settle in this country. There is room for all those who want to live in peace with other citizens, without trying all the time to blame one another, but rather allowing everybody to develop fully in harmony, while partaking in the country's wealth. We believe that there is room for all by respecting the rights of all and giving freedom to all and the possibility to develop.

The Créditistes maintain that it is possible to achieve that purpose, but in order to do so it is essential that we change the main basis on which confederation stands at the present time. We want to remake the constitution and confederation according to new principles. That does not mean to tear everything down and destroy everything; that means to give a new direction to what exists now, and direct

confederation thanks to a new constitution, so that the present discord might be eliminated.

This dissension is found even within the Liberal party. A Liberal minister, in Quebec, says something and that creates dismay in the ranks of the federal Liberal party. Why? Yet, they are two Liberal groups, but they can no longer agree. It seems that the turn of mind of a Quebec Liberal changes when he is elected to parliament in Ottawa. If he is a man of real ability, as there are some in the cabinet at present—several Liberals have personal, intellectual and moral merit—it seems that as soon as he sits on the front benches, he immediately disregards his ideas and principles and thinks only in terms of the party line. On the other hand, if he has no merit, a Liberal member or any old-line party member who comes to Ottawa simply remains silent and does not bother to express any views or principles.

We see, as an example—I regret that he is not in the house at present—the hon. member for Drummond-Arthabaska (Mr. Pepin) whose opinions were quite different before he came to parliament in Ottawa. Now, he is confronted by what he previously condemned, that is Ottawa and co-operative federalism, and he is discarding what he previously preached, he is sacrificing his ideas and his principles to his party's interests.

That has happened ever since 1867 within the old political parties which have governed this country.

The Créditistes believe that these dissensions could be terminated and that peace could be restored. That would not be difficult to achieve as long as confederation could be re-established on a new basis.

The essential basis—this has been said often, but I want to repeat it, in the hope that the present government, which realizes more and more that the present situation is getting tense and the atmosphere heavier all the time, and parliament will try to do something before it is too late—is to recognize not only in parliament and in speeches, but also in practice, that our country is made up of two different nations which can live together, not necessarily apart but in close association, to make Canada one of the greatest and most prosperous countries. Two associated states each having its own responsibilities, and reaching an agreement on a number of others. Two associated states are not separate states, on the contrary, they co-operate instead of being divided.

We are advocating the principle of two associate states and this is the present tendency. If parliament—I do not mean the government but parliament—if all members of the house agreed to draw up a new constitution: two associate states in certain common fields which would keep their responsibilities in certain others.

We are now witnessing on the contrary, the continuous intrusion of the federal government in provincial fields, when the federal government should feel duty bound to respect the rights, obligations and responsibilities of provincial governments. Two associate states which would work together in certain fields, but which would leave to the provinces a certain number of other fields.

We have drawn the list of 16 different fields including defence, external affairs, atomic energy, an agency which now exists, and also transport and postal service. In short, there are 16 different fields where two associate states could co-operate through a really non-federal government and not a government trying to control both states within confederation. This can be done.

Then, the association of two states would develop peacefully and would enable both states to develop more extensively. I have seen citizens from other provinces, even important men in the political field, who desired more and more centralization, a central government, whereas Quebec province and the people wished exactly the opposite. By adopting the principle of two associate states, there would be decentralization for those who want it and centralization for the others. Both states could develop more fully than they are now doing.

Mr. Speaker, we will have to come to such an association some day, for confederation, as it exists now, cannot continue to make progress, because there are only compromises, half solutions, false solutions, solutions that do not settle anything.

Mr. Speaker, the Leader of the Opposition spoke a moment ago of the country's disunion. Well, petty politics will not solve that problem. On the contrary, we can only hope to solve it by putting forward sound solutions likely to be accepted by everybody and carried out across the country in a practical and realistic way. It is our intention today, since that problem was raised a moment ago, to make a practical and realistic suggestion in this regard, and that is to revise the constitution and set it on a new basis, a basis which would not make the central government an associate state but a government depending

on and helping in the development of both states.

Mr. Speaker, had we known that the Leader of the Opposition had no intention of moving an amendment, which is not usually the case, we ourselves would have moved a motion suggesting precisely a revision of the constitution setting it on a new basis, on new principles in short, a new constitution under which the country would develop not in the midst of disunion but in harmony and peace. Unfortunately, we did not have time to put down our amendment in writing, but if the debate lasts until six o'clock we will be able to submit it to the house and in such a way as to leave no doubt in the minds of the general public. It will not be in the form of a confidence motion, but a motion for putting the country under a new system, a system under which everybody will be able to live in harmony.

Mr. Speaker, we will present such a motion if the debate is resumed after six o'clock. In any case, we will say this: the blame put on this government applies to all governments which have been in office since confederation.

This is due to the monetary and economic system at present prevailing in this country, a system under which we witness, in a period of prosperity, people on the verge of starvation while warehouses are bulging with products. While there is so much development required in this country, men are out of work. There are masons, bricklayers, carpenters, plasterers without work, whereas in the universities of Quebec and Montreal—the situation is the same in the province of Ontario—admission is being refused to medical students, under the pretence that there is not enough space.

The fathers of those young men would be able to build the necessary quarters, but they are unemployed; during that time, they are refused the privilege of working on the construction of universities, while their sons themselves are refused admission in some faculties.

On the one hand, the family head cannot work on the construction of those quarters and on the other, the son is being refused admittance to the university. This is another scandal of our modern times. Such a situation exists under the present government, such a situation existed under the previous government. I have mentioned medical faculties, but the same thing occurs in all faculties.

There is talk of developing our educational system in this country, and it is alleged that we have not got enough funds; necessary credit is lacking to allow the authorities to expand their quarters, to increase the number of professors, and all those who would like to be educated are left aside.

What is the point of speaking of education if a young man studies six years in primary grades and eight years in the humanities, if after 15 years of study, he finds the doors of the universities closed because there is no more room and not enough professors? Why make long speeches on free education, without any school taxes, while at the same time, rejecting our young people who want to register at a university? This is due to our capitalistic system, to our monetary system. Those are the things which this government and the previous governments defend with all their might. Our economic system refuses to give work to the unemployed in useful and even necessary projects for this country. Such is the system which we, the Social Credit, have been fighting for years.

At the same time, a certain phenomenon can be observed. We see with surprise that the government of the province of Quebec just borrowed $100 million from another province. Now, why is the government of Quebec getting deeper and deeper into debt, whereas the government of another province has money to lend? While the province of Quebec will be paying $57 million in interest a year, the government of British Columbia has money to lend and will grow richer on the interests paid each year by Quebec.

Yet I remember that the Liberal party, during the 1963 election, had a young student from British Columbia come to the province of Quebec, had him hold meetings, make speeches, television appearances, during which he said that Social Credit meant imminent chaos and depression. Yet, the student was from British Columbia. He said: I am from British Columbia, and my province is in a bad depression, getting deeper and deeper into debt, and on the threshold of bankruptcy. Less than a year and a half later, we see the British Columbia government lend $100 million to the province of Quebec. That government is therefore hardly reduced to bankruptcy. It was the Liberal party which sent us this young pup to tell us that British Columbia was getting into debt. It must have recovered very fast since it can now afford to lend $100 million to the province of Quebec.

I remember the time that the Liberal Minister without Portfolio (Mr. Dupuis)—it is a good thing he has no portfolio because he would not know how to handle it—went

around saying that our party was advocating funny money while he was throwing dollar bills in the air. If that was funny money, I know a Liberal government in Quebec which was happy to borrow $100 million of it. If that was funny money, the Minister of Finance who had to borrow himself would surely be glad to borrow from British Columbia or from Alberta which loaned to other provinces—I believe it was to Saskatchewan when the hon. member for Burnaby-Coquitlam (Mr. Douglas) was premier.

How is it that those two provinces are in a position to lend money for the development of the other provinces?

And the federal Minister of Finance may find that funny. He borrows the year round and now he has to pay $1,080 million in interest on his debt each year. There is one who has $1 billion to lend, while the other has to pay $1 billion in interest each year. But, of the two, which is the funny system?

Mr. Speaker, is it the Social Credit system, the present Liberal system or the previous Conservative system?

Quebec's premier, for his part, states: "This proves that credit is good". Of course credit is good, since it is the credit of the province of Quebec. He borrows on our houses, on Quebec's industries.

But why is credit good? Because he has raised taxes to be able to pay the interest on his debt. As a matter of fact, the more you raise taxes in a country, the better the credit becomes. That is how credit is appraised. This means that the citizens of a province or of a country are made poorer.

If credit is to be good, you must increase taxes in order to be able to reimburse two or three times the amounts borrowed, because you must reimburse the interest and the capital under the present system.

Our present economic system results in unemployment, taxes and debts.

It seems to me that when governments do a little better than the others, we should at least take their advice and study what is happening, how those governments administer their business, instead of continuing to administer ours like the federal government and the Quebec government are doing now.

The Quebec government is increasing taxes for education purposes; the municipalities are also increasing property taxes on houses to help school boards. However, there is not even room enough for our youth in the universities. We heard talk about free education, but when students want to enrol for university courses they come up against the lack of funds to build new universities.

For the past five years, the Ralliement Créditistes has been after provincial authorities to spend more money for the building of schools, colleges and universities.

Today we are faced with the cold facts. Hundreds of students, after 15 years of schooling, cannot enter university to continue their studies in the profession of their choice because there is not enough room.

Meanwhile, the unemployment situation is getting worse. The Minister of Labour (Mr. MacEachen) may deny it, but the number of unemployed is not going down in Canada. His figures may indicate that the situation is improving but they are a sham. When the minister states that there are 125,000 people who are out of work in this country, he bases his calculations on the number of people who get unemployment insurance benefits. However, there are just as many people, if not more, who are not entitled to such benefits, who must be satisfied with social assistance which is so small that it barely keeps the recipient from starving until he gets his next cheque a fortnight later.

The Minister of Labour—I was going to say the minister of unemployment which would have been just as good a designation—claims that unemployment is going down, but it is high time that the Canadian people insist on getting true figures because there are other people besides unemployment insurance recipients who are out of work. There are others who do not get unemployment insurance benefits and this poses a problem, because they have to eke out a living on social assistance with the result that the number of unemployed is just as high as ever but the figures have been juggled. Hypocritical statistics are being used so that the real seriousness of the unemployment problem is unknown. The government uses incomplete statistics to say that there is no unemployment although it is more acute than ever.

They keep saying that the economic situation is prosperous, but if you take a look at the number of bankruptcies in the last six months, you note that there are more than ever. That is what is called economic prosperity in this country although the number of bankruptcies is going up.

The Minister of Finance stated that it was because of the 11 per cent sales tax on building materials that there were so many new constructions, especially in Montreal. There may be more activity in the building field in Montreal, but practically all buildings are

public or government buildings, because construction in the private field or in the field of family housing has gone down compared to previous years. The increase has been in the construction carried out by various levels of government. And to do this, they have to borrow, pay interests and burden the people with new taxes.

That is what is called a boom in the construction business under the present administration. There is no increase in construction in the private sector or in the field of family housing, but merely and especially in the construction of public buildings.

Mr. Speaker, going over all the faults and shortcomings of the present regime, one finds cause for concern. Besides, I know people are aware of the fact, because they are faced with some lasting problems. Maybe the government does not realize it, but people surely do. They are not living in an ivory tower, like the Minister of Finance or the cabinet. People look at what is going on around them, and I suggest the cabinet and especially the Minister of Finance do the same. Indeed, they should remember that, after his defeat, the former prime minister, Mr. St. Laurent said: "We got too far away from the people." When the Minister of Finance states that this 11 per cent tax on building materials spurred construction, I feel he is getting quite a bit out of touch with the people, and it is distances such as this which cause governments to be overthrown from one day to the next and which make them open their eyes when it is too late.

Mr. Speaker, the Ralliement Créditiste has an answer to the present economic problems. It is to make available the necessary funds in order to enable the country to develop fully, to make available to the people sufficient funds and capital to promote trade and industry within the country, because in a tremendously rich country such as ours, it is quite abnormal to see poor people living on unemployment insurance benefits, in short, people unable to enjoy all the wealth the country is in a position to produce.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, a few moments ago I was quite prepared to have the Minister of Finance (Mr. Gordon) close the debate, and I still am. However in view of the fact that the hon. member for Lapointe (Mr. Grégoire) has made a statement I thought I should say a few words in order to clarify the position of this party.

[Mr. Grégoire.]

The right hon. Leader of the Opposition (Mr. Diefenbaker) has not moved an amendment, and therefore there is nothing before the house except the general motion to go into supply. I feel the same way as the Leader of the Opposition, that while there are a great many questions we would like to discuss, probably the most effective way in which we can further the business of this country is to proceed at once to pass this motion. There are many grievances which the members of this party would like to raise, but all of them can be raised on the departmental estimates which we will be discussing during the next few weeks. There are also many legislative items in which we are interested. But we feel the best way to promote the business of the house is by passing this motion.

We are extremely anxious that the government bring down the Canada pension plan at an early date; we regret that the government has been so slow in getting it on the order paper. We are equally concerned about a national labour code and we hope that the minister's assurance this afternoon that it will be brought down before the end of the month will be carried out. We are anxious to see the redistribution legislation passed, because it is a long time since the representation of this house was based on a recent census. We are anxious that the railway legislation be examined very carefully, not only in the house but in a committee of the house, because it has far reaching repercussions for the Canadian people. There are many other pieces of legislation which we should like to discuss and we think the sooner we get at them the better.

There are also many questions not on the order paper that one might discuss. For example there is the question of unemployment, particularly the problems of structural unemployment, because it is becoming increasingly apparent that a mere economic boom is not going to solve the problem of structural unemployment. This is going to depend on a much vaster retraining, training and placement program than anything the government has envisaged so far. We are anxious to see the government bring down some specific measures to begin laying the foundation for the implementation of the Hall commission report on health services. We are also anxious to see the government carry out its commitment for 10,000 scholarships. These are items which we can raise at a later time.

We have been sitting since February. Even if the house continues to sit steadily from now till nearly Christmas there are only about

60 sitting days left. We think with the estimates which still have to be discussed, with the legislative program before us, and with the items that the government has promised to put on the order paper there is more than sufficient work to keep this house busily engaged until almost the end of the calendar year. For that reason we do not think that the interests of the country would best be served by a protracted debate at this time on some general topic.

The Leader of the Opposition said something about the government having allies who always support it no matter what comes up. I just want to say that an examination of the records of this and last session will show that we have probably voted against the government as often as we have voted for it. We do not consider it our function to vote either for or against the government and we have made our position clear with respect to both the old line parties when they were in office. We differ from them on many fundamental issues, but we do think our job here is to co-operate with whatever government is in office, including this one, as we did with the previous government, in an attempt to get legislation passed and in trying to improve the lot of the Canadian people. The best way to do that under the present circumstances is to pass this motion as quickly as possible.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it was not my intention to prolong the business that is before the house at the present time because basically we are in agreement with the Leader of the Opposition (Mr. Diefenbaker), as indicated in his remarks, as far as permitting the work of the house to move forward as rapidly as possible is concerned. However in view of the fact the hon. member for Lapointe (Mr. Grégoire) found it necessary to use this opportunity for a general discussion, it is necessary to make at least a few remarks at this time.

It is the objective and the purpose of our party to get on with the work that is on the order paper, and to permit the government to bring in that legislation it has assured us is going to be dealt with at this session. Certainly there is a great deal of very vital work for us to do. We have heard a great deal of criticism of the government, and we share the opinion that it is essential that various departmental estimates be brought before the house so that they can be considered and passed as soon as possible. There has been some progress made in this regard in the past few weeks, yet there are estimates of at least seven or eight major departments yet to be considered. When these estimates are brought forward for consideration we have an ideal opportunity for specific debate essential in respect of the government's program. I refer briefly to such departmental estimates as those of the Department of Justice, the Department of National Revenue, the Department of Finance and the Department of Trade and Commerce, as well as the estimates of the privy council, the Department of Veterans Affairs and others. At this time there is a necessity to deal with them as quickly as possible.

I would remind the house of the legislation presently on the order paper which must be considered as soon as possible, and the sooner the better, because already there have been long delays. First of all I am thinking of legislation dealing with publications, which has been on the order paper now for a number of months. A number of major statements have been made by the right hon. Prime Minister (Mr. Pearson), yet we have not had an opportunity of dealing with this legislation. We must also deal with legislation relating to redistribution. If we are not careful this legislation will be delayed until another session and another year, and soon the statistics resulting from the 1961 census will be as out of date as those available before that census was taken. It is essential that we establish the necessary machinery for dealing with redistribution as quickly as possible.

We must also deal with railway legislation. Certainly many years have passed since the report of the royal commission was published. The drafted legislation has been referred to the committee, and this committee should get to work quickly so that a report can be made to the house at an early date. We must also deal with the Canada pension plan, to which reference was made this afternoon. The government has failed to carry through its suggested draft legislation, and while I do not regard this legislation in the same light as some members of this house, that it must be passed immediately, I agree that because of its importance we must proceed carefully and get started on it very soon.

Mr. Speaker, I do not think it is necessary for me to review the other legislation now on the order paper, or mention again that legislation which has been promised, but I do believe at this present time that we should reassure the people of Canada that our basic objective is to deal with the essential business before us with dispatch and in an efficient manner. Therefore I agree with the suggestion at this time that we forgo a lengthy

debate relating to a general discussion on the motion before us, and give the Minister of Finance an opportunity to reply. I hope he will show his own co-operation and willingness to go along with the position now stated by keeping his remarks down to bare essentials. I join with the Leader of the Opposition and the leader of the New Democratic party in the suggestion that we permit this house to get on with its business by limiting this debate to the remarks we have now made.

Mr. Speaker: If the hon. minister speaks now he will close the debate.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, perhaps I may be permitted to begin by thanking the Leader of the Opposition (Mr. Diefenbaker) for his congratulations in respect of that great convention held in Toronto on Saturday at which there were some wonderful candidates, over 1,400 delegates, and many hundreds of alternate delegates and friends in attendance. They really represented the people of Ontario, and in their wisdom chose a fine young man who will be a credit to the public life in Canada.

I should like to reciprocate by congratulating the Leader of the Opposition on the record that he has set this afternoon. There were those who did not think that the right hon. gentleman could make a short speech, and believe me we are delighted to be surprised.

Mr. Douglas: Show your pleasure by emulating him.

Mr. Gordon: Mr. Speaker, I have received some advice—which I am sure was well meant—from the leaders of some parties who have been known to speak a good deal more frequently than I have in this house. I remind my friend, the hon. member for Burnaby-Coquitlam (Mr. Douglas), of my claim to the record of having made the shortest speech in parliament since confederation. I was clocked at 48 seconds the other day.

Mr. Diefenbaker: What date was that speech?

Mr. Gordon: I should like to make one other reference to a specific comment of the Leader of the Opposition and I wrote down his words because I found them so encouraging. He said: "We want to get on with the business of the country". Believe me, there are many of us who agree with him in that regard. I do not mind saying that some of us have felt somewhat frustrated in recent months, and some of us on this side have wondered whether the right hon. gentleman and other members in this house were really anxious to get on with the business of the country.

Mr. Lambert: Just as anxious as you are.

Mr. Gordon: So far on various estimates we have spent 52 days, of which 14 days were on the final supplementaries of 1963-64 and 19 days were on interim supply. I suggest to Your Honour that must be something of a record.

Mr. Diefenbaker: No, 25 or 26 days under the previous government.

Mr. Gordon: I did not interrupt the right hon. gentleman during the course of his remarks but I intend to reply to some of the things he said. We spent 8 days on the student loans bill, 7 days on the fiscal revision bill, 22 days so far on the flag, 12 days on the Columbia river treaty and 11 days on the redistribution bill so far. If that does not represent a concerted policy of filibuster or at least a slowdown I should like to know what does.

Mr. Knowles: Tell us also about the 60 days of decision.

Mr. Herridge: Who was the cause of it all?

Mr. Woolliams: That is the question; who caused it?

Mr. Herridge: Who started it?

Mr. Gordon: The Leader of the Opposition criticized the Prime Minister for his efforts to unify the country. I found it surprising that the Leader of the Opposition of all people would criticize any other man on that score. I have been wanting to point out for some time, Mr. Speaker, and I am going to take this opportunity to do so if I may, that many of the members on this side of the house, including myself, are very new at politics and that a great many of us stood for parliament for two reasons and two reasons only. First we were disgusted with the way the affairs of the nation were being managed. I am sure I speak for a majority of the members on this side of the house when I say that most of us had no wish to enter public life, but this was one of the main reasons we stood for election.

Mr. Woolliams: How do you feel about it now, after your budget?

Mr. Gordon: I feel fine, and if the hon. member will wait a little while I will give him the reasons. With respect to our second

reason for standing for parliament, I know that while not everybody will agree with me a great number of people will agree on this point. I say very seriously that we stood for parliament because we thought and believed then, and we know now, that the Prime Minister is the greatest Canadian of his generation. Those of us who have travelled around the world know that there are many people in high places, in senior positions in the governments of other countries who think that the Prime Minister is one of the greatest men in public life today anywhere in the world, and we believe this. I think that most members on this side of the house will agree with me. I am sure there will also be some on the other side of the house who will agree with me, though perhaps not the hon. member for Port Arthur (Mr. Fisher), when I say that we deplore the practice that has developed of trying to tear down and discredit the present Prime Minister of Canada.

Mr. Diefenbaker: Well, well, well. What were you doing all the time in opposition and before you came here?

Mr. Crouse: Will the minister permit a question?

Mr. Gordon: I will permit a question at the end of my remarks.

Mr. Crouse: Do you remember this "Diefenbuck" your party printed to ridicule the former prime minister?

Mr. Gordon: Mr. Speaker, I have wanted the opportunity for a long time to say what I and a lot of other Canadians think about the Prime Minister.

Mr. Winkler: Such nonsense.

Mr. Gordon: We believe it, and when we say it we speak with considerable emotion. As anybody who is fair, honest and objective knows, the Prime Minister believes, as most of us surely do, that the most important job to be done in this country is to hold it together, to unify and to unite it and, believe me, we think he is doing a fine job in that direction.

Some hon. Members: Hear, hear.

Mr. Winkler: Pretty weak applause.

Mr. Gordon: I am going to speak for a few minutes if I may on something I know something about.

An hon. Member: That will be a change.

Mr. Gordon: You will see—

Mr. Woolliams: What did you say?

Mr. Gordon: The interjection came from your friend behind you. I should like to talk for a little while about the economic progress that has been made and about the position of the country at the present time. I do so because of the remarks of the Leader of the Opposition. In what I thought was a rather scattergun approach he took rather casual and certainly not too well documented potshots at a number of policies which the government has introduced and which have worked out so successfully. I would remind hon. members that when the present government took office a little less than a year and a half ago the upturn in the current business cycle had been in progress, in a faltering way it is true, for about two years, and some hesitations in this progress could be detected. It was apparent that the forward pace would not be fast enough to provide jobs for those who would be entering the labour force in the period ahead. Accordingly, in the spring and early summer of last year a number of new policies were introduced and, if I recall correctly, somewhat bitterly attacked, which were designed to stimulate and expand the economy and provide more jobs. I should like to remind hon. members of a few of these policies because they have certainly worked well.

First of all, there were the very substantial incentives in the form of generous capital cost allowances to manufacturing or processing companies owned by Canadians, or with a degree of Canadian ownership, which purchased new machinery and equipment in the two years following the budget of June, 1963. Believe me, those incentives have had a remarkable effect. Second, there were similar incentives, together with a three year tax exemption, for manufacturing and processing enterprises establishing new facilities in areas of slow growth and high unemployment. These incentives have also been remarkably successful.

Then there were the incentives to the automobile industry aimed at securing for Canada a fairer share of the total production of North America. As most hon. members know, this has provided a stimulus to the manufacturing industries of this country which, except perhaps during the last war, they have never had to the same degree. There was the municipal development and loan fund which was designed to encourage municipalities to accelerate their capital spending programs. This also has been working out remarkably well.

Mr. Diefenbaker: What is the amount of loans under that?

Mr. Gordon: I will be glad to make that figure available to the right hon. gentleman. I do not have it in my head but it is very substantial. Then there was the Atlantic development fund of $100 million which was intended to and is stimulating the economy in the Atlantic area of Canada.

Mr. Diefenbaker: How much has been appropriated there?

Mr. Gordon: I shall be glad to get that figure and put it on the record.

There was an improvement in the terms and a shortening up of the incentive program for municipal winter works. There was the $500 bonus plan for winter built houses, which I recall was laughed at at the time it was first announced but which has been tremendously successful in alleviating winter unemployment.

Mr. Diefenbaker: Will the minister allow a question?

Mr. Gordon: I think if you don't mind, you might ask questions later.

Mr. Diefenbaker: I should like to ask the minister if he read the observation of the hon. member for York East (Mr. Otto), who said it was a complete farce.

Mr. Roxburgh: Who is the member for York East?

Mr. Gordon: I thought that what I was trying to do was to explain to some hon. members what had happened. I feel an interjection of that kind is really not to be taken too seriously.

Mr. Diefenbaker: He is an authority. He knows the business. He is in it.

Mr. Gordon: The winter house building program was supplemented and assisted by an increase in mortgage loans by Central Mortgage and Housing Corporation of somewhere about $130 million, that is over the same amount in 1962. It was hoped when these loans were introduced that, together with an expansionary monetary policy, they would provide the kind of stimulus that was needed to get the economy surging forward. This is exactly what has happened. When I say that, I am going to show later, Mr. Speaker, that not only has the Canadian economy surged forward in the last year but it has outpaced the progress made in the United States to a significant degree.

[Mr. Gordon.]

It is quite true and everyone will admit, in fact they will be pleased to point out, that these improvements in the Canadian economic scene were aided by large sales of wheat to Russia and other communist countries. Mainly however the improvement in the economy was due to the success of the policies I have mentioned.

There is another point I should like to make. The growth in the economy has been well balanced and no excesses are apparent which might cause serious stresses or pressures. It is now clear that total production for the calendar year, that is the current calendar year, will be appreciably higher than was forecast at the beginning of the year.

Mr. Woolliams: What is the percentage?

Mr. Gordon: If my hon. friend will contain himself, I shall be glad to put on the record those figures. In the first quarter of this year the gross national product, excluding agriculture, rose by 4.2 per cent over the last quarter of 1963. Compared with the first quarter of 1963, the increase was 9.6 per cent. Now preliminary estimates indicate, as we expected, that while the gross national product made a further gain in the second quarter the increase was not as much as in the first three months. The increase could not possibly have been. Our guess is that third quarter growth will be moderate, and in the fourth quarter the pace of activity is expected to rise again.

I say this because there are many powerful forces at work which should keep economic activity at a high level in the months ahead. These include the capital spending programs of both industry and government and, for this winter, the renewal of the house building bonus plan which the Minister of Labour (Mr. MacEachen) has announced. If last winter's pattern is repeated this means higher income and higher consumer spending as a result. It is probable also that exports, apart from wheat, will continue in the fourth quarter at higher levels than they were the year before. Of course, as any hon. member from western Canada will appreciate, if western farmers are blessed with good weather and are able to harvest their crop, it looks like a better than average crop and this of course will add to the strength of the economy in the months ahead.

I said the other day, and I should like to try to repeat this in the house, that these various trends, these various indications and

the support we see underlying the present economy should mean that the gross national product this year may be of the order of 8 per cent—it may be even a little higher than 8 per cent—over the previous year. In real terms we expect that the increase over last year will be in excess of 6 per cent. If this is achieved, Mr. Speaker, I suggest it is something in which all members of this house and all Canadians can take pride.

Mr. Winkler: Would this be attributable to the pegging of the dollar?

Mr. Fisher: Or the budget of 1963?

Mr. Gordon: If these questions are serious, —and the hon. member for Port Arthur (Mr. Fisher) should be serious, because after all he speaks to a larger audience than I am talking to today. He must know that in my personal opinion the dollar would have been revalued long before it was. The fact that it was revalued, even though the revaluation came at a most difficult time and was accomplished in a most inopportune fashion—obviously, it was what was needed. It had been, in my opinion, needed for the previous two years. The effect of this revaluation was clearly beginning to taper off, however, by the spring and summer of 1963. This was one of the reasons there was a faltering in the upturn of the economy. This was the reason other policies were needed. Those policies, I should like to remind my hon. friend from Port Arthur were the policies that were introduced by this government during the spring and summer of 1963, and those policies have been remarkably successful despite the fact that some pundits may not have thought they would be successful.

Mr. Woolliams: Why did the Prime Minister then say there was going to be economic ruin when we pegged the dollar? This is the man you said was a great Canadian.

Mr. Gordon: I do not believe I should be called upon to reply to the hon. member who is making speeches from his seat. I think we should be welcoming him back to his seat. If he waits until I have finished, I shall be glad to answer any questions.

Mr. MacInnis: I rise on a question of privilege, Mr. Speaker. I think the minister is casting insinuations upon my hon. friend here without realizing that accompanying my hon. friend was a member of his own party. The insinuations he is trying to cast may reflect back on his own party.

Mr. Gordon: I was not intending to cast reflections on anybody, and certainly not the hon. gentleman who was speaking from his seat.

Mr. Mandziuk: That's right; back track again.

Mr. Gordon: I cannot deal with a comment of that kind.

I was about to say, that I do not expect that on the economic front we shall have to face any obvious dangers in the months ahead. I see no reason why the present trend of economic activity should not continue into 1965. There is no evidence to suggest, for example, that we are heading for the kind of speculative boom which would bring about inflation and, if the inflation was serious enough, would be followed by collapse. Nor are there any immediate warning signs on the horizon of a slow down. I am pleased to be able to say this because when we hear all kinds of speculative statements being made by various people in private life —I think this is a good thing, myself; I welcome a greater degree of public discussion and public statements by authoritative people on the economy and the kind of policies which should be adopted—I think that it is wise for a spokesman for the government to state periodically that in his opinion, and with the resources of the government behind him, he does not see any immediate difficulties on the horizon.

I would not want anybody to think I am suggesting that things will always be as satisfactory as they seem to be at the present time. That would be contrary to all past experience. No one would expect me to say it, or believe me if I did. But I can assure all hon. members that if indications should become evident of either serious inflationary pressures or of a turndown in the rate of economic growth the government would not hesitate to take the kind of remedial action which may be called for, just as it did, if I may say so, in the spring of 1963.

Mr. MacInnis: Would the minister permit me to ask him a question? Does the hon. gentleman mean by his remarks that the government now intends to bring the Canadian dollar back to par?

Mr. Gordon: No, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Gordon: I have made it clear where the government stands on this matter. I have gone out of my way to be emphatic on it on other occasions.

Mr. Crouse: Why did you ridicule us when we did it?

Mr. Sharp: You did it so badly.

Some hon. Members: Oh, oh.

Mr. MacInnis: Would the minister permit another question?

Mr. Gordon: I am quite prepared to accept one other question and then I think I should be permitted to go on with my remarks.

Mr. MacInnis: The minister says he has made his stand clear with regard to the position of the Canadian dollar, and he is probably in agreement with what his colleague the Minister of Trade and Commerce had to say a few days ago on this subject. Why, then, did he deceive the people of Canada when he said at Cobourg, Ontario on March 29, 1963: "I believe I was the first person to state publicly that devaluation caused the stagnation of the economy"?

Mr. Gordon: I can say categorically that I never made a statement of that kind. I would remind the hon. member that I am not likely to have made a statement of that kind in those terms, since I was advocating the course to which he refers two years earlier.

Mr. Diefenbaker: You were not able to convince your friends.

Mr. Gordon: As I was saying, the economy has shown a very marked improvement and we should all rejoice that this is so. I am not satisfied with the conditions in the Atlantic area or in the eastern part of Quebec where unemployment is too high and income levels are too low. But I am encouraged by the fact that unemployment in those areas has been reduced appreciably, just as it has in all other parts of Canada. Taking the country as a whole, conditions are most encouraging and, as I said the other day outside the house, one of the by-products should be a considerable reduction in the federal deficit for the current fiscal year as compared with the forecast which was made six months ago.

We all appreciate, I presume, that one of the most notable developments within the economy this year has been the increase in capital spending plans of private industry. A survey taken late last year showed that capital outlays in 1964 in both the public and the private sectors of the economy were expected to rise by 8 per cent. I think it is fair to say that the full implications of the incentives offered industry in the form of increased capital tax allowances had not been fully appreciated at the time this survey was made. The fact is that increased capital spending has been running at a much higher rate than 8 per cent. According to a mid-year survey it is expected to reach a 16 per cent increase this year over last year, the greatest increase in any year since 1956.

Some hon. Members: Hear, hear.

Mr. Gordon: Somebody, perhaps it was the Leader of the Opposition, mentioned housing. As I believe I said in answer to a question last week, housing starts in the first six months of this year in centres of 5,000 population and over were 12 per cent higher than in the first half of 1963. Completions in the same period were 43.8 per cent above the number of completions during the same period a year ago, and units in various stages of construction at the end of June of this year were up by 7.1 per cent compared with the year before. So I say to hon. members that despite all the talk we heard last year—and we still hear the odd, plaintive echo of it now—these various forecasts and statistics show that the withdrawal of the sales tax exemption on construction materials has not inhibited the expansion of the economy.

Mr. Diefenbaker: That is not what the Canadian lumbermen's association says with regard to the construction industry.

Mr. Gordon: In answer to the Leader of the Opposition may I say that one of our great troubles now is to be sure that the construction industry is able to handle the tremendous volume of work with which it is confronted.

I should like to say a word now about unemployment. In July of this year there were almost 7 million Canadians with jobs. During the previous 12 months, 225,000 new jobs were created. This represents an increase of 3.3 per cent in total employment. If employment on farms is excluded, it represents an increase of 4½ per cent. The increase in employment opportunities was greater than the increase in the labour force. While the unemployment rate was cut from 4.2 per cent in July, 1963, to 3.7 per cent in July, 1964, I am sure all hon. members will have noticed that the figures for mid-August of this year showed that unemployment in the middle of August was down to 3.4 per cent, the lowest rate for that month since 1956. By the same token, if hon. members wish to have the decrease on a seasonally adjusted basis, by mid-August the unemployment rate was 4.8 per cent. I am not suggesting for a minute

that I think that this is low enough. I do not. But I think it is a very good improvement over the 6 per cent and 7 per cent levels experienced some years ago.

Looking forward to the next few years, it is apparent that a steady expansion of the economy is essential. The task for all members of this house—certainly for the government—and for industry is to see that we introduce policies that will make it possible to absorb the huge number of young people who will be entering the labour market. It is estimated that in the five years from the end of 1963 to 1968 the labour force will rise by about 750,000 people as a result of natural increase alone, unless there is a reduction in the present proportion of teen-agers choosing to leave school and looking for new jobs. Naturally, immigration will add to these numbers.

I am sure there is one thing on which all members of this house will agree, because they have agreed on it in the past; namely, that this tremendous problem of preparing young people for jobs not only has been a major concern of both provincial and federal governments in the past but it will continue to be one of our major preoccupations for a long time to come. Both this government and the previous government have supported the technical and vocational schools program, and this is why this parliament has approved the extension of youth allowances to 16 and 17 year olds who remain in school. It is also why we approved the student loans plan a month and a half ago, which program will assist many thousands of young people either to go on to university or to take other advanced training courses. The goal must be to help create the kind of labour force that is increasingly able to adapt to the new techniques and requirements of industry.

But let me re-emphasize this, Mr. Speaker. The fundamental need is that there be jobs for all these new workers and for a sizeable proportion—I would like to say, for all—of those who are still out of work. The economy must continue to expand fast enough both to provide the jobs and to take into account all increases in productivity. As I have said on other occasions, this will call for, among other things, the very considerable expansion of the manufacturing industries of Canada as well as the continued expansion of our great resource industries.

Periodically members of the opposition, as is not only their right but their duty, point out changes from month to month in the consumer price index. I think it is only natural that they tend to point these out usually in the months when the consumer price index goes up, and they do not draw the same conclusions about the months when the consumer price index goes down, as it did in August.

Mr. Diefenbaker: How many months has it gone down in the last year?

Mr. Gordon: If my hon. friend will just bear with me for a moment, Mr. Speaker, I was about to say that I think the changes over a longer period than a month are the only ways to look at these fluctuations intelligently, unless one is in possession of the moderating factors that are needed to reduce a month's change to a seasonally adjusted basis. So the figure that I would like to put before the house is the change in the increase in the consumer price index in August of this year as compared with August, 1963. The increase during those 12 months was 1.6 per cent; and this is a record. It is, in fact, a good record, which has been unmatched by any of the major industrial countries of the world, with the exception of the United States.

I think sometimes when we talk about the consumer price index we tend to overlook a factor which perhaps, if we want to be objective, we should take into account more often; that is, that the index is not a precise guide to changes in real living standards. It is difficult, for example, to adjust the index for changes in quality of the products whose price it measures. As there has been a fair amount of talk about new houses, I would point out that while they cost more today than in 1959, they incorporate today many features of greater value, even down to the greater durability of the paint. I think it is fair to say that today's automobile tires perform better than they used to; that clothing fabrics are more durable. I could go on and give other examples; but these are the kinds of improvements that are not, and cannot be, reflected easily in the price index.

The fact is that despite statistical price indexes Canadians today have higher living standards than they have had at any time in the past; the personal disposable income available to the average Canadian to spend on what he needs or what he wants—and I for one believe that he should have the choice—has risen a good deal faster than the relatively slow advance of the consumer price index. Mr. Speaker, I would now like to turn to another matter.

Alleged Failure to Meet National Problems

Mr. Speaker: I am sorry to interrupt the Minister of Finance but his time has expired. He started at 4.40 and his time would run to 5.20; and I believe it is now 5.20.

Some hon. Members: Carry on.

Mr. Speaker: Does the house agree to extend further time to the Minister of Finance?

Some hon. Members: Agreed.

Mr. Fisher: If the minister is willing to answer some questions at the end of his speech.

Mr. Gordon: If that is the condition, Mr. Speaker, I gratefully accept it. I appreciate very much the generosity of the house in allowing me to continue, because I did want to put on record some comparisons of the relative increases in economic progress, in the United States and Canada.

Mr. Kindt: Mr. Speaker, may I ask a question. In view of the fact that the minister is raising all this new material which we have not had an opportunity to debate, I contend that he is doing an injustice to this house. If we are given an opportunity to meet the arguments and to discuss and debate the arguments which the minister is now advancing, I am willing to give him additional time to go ahead; but if we are not going to have this opportunity, I say let us not give him the extra time to go ahead.

Mr. Gordon: I thought my hon. friend was asking me a question, Mr. Speaker, but instead he seems to be questioning the decision, as I thought it was, of hon. members a few minutes ago that I should be permitted to continue. However, if there is a difference of view, and hon. members do not wish me to continue—

Some hon. Members: Carry on.

Mr. Fisher: Mr. Speaker, I wonder whether the minister would be prepared to accept a question? I would be glad to give it to him, if he would accept it. Would the minister comment on what appears in today's Toronto *Star* editorial, which reads:

> Finance minister Walter Gordon's review of the Canadian economy in Hamilton last week must come as a disappointment to those who expect leadership and long range policies from a Liberal government.

I would ask the minister whether he would care to comment on this sort of partisan suggestion.

Mr. Gordon: I would be glad to, Mr. Speaker, after I have had an opportunity to read the whole of the editorial.

[Mr. Gordon.]

Mr. Fisher: But is not this your Hamilton speech?

Mr. Gordon: My hon. friend is asking me whether I am now giving the same speech which I gave in Hamilton on Friday. Let me assure him that when I state the pertinent statistics concerning the Canadian economy I am not likely to change them very much from one day to another. As my hon. friend would expect there is a certain similarity. However, I want to move on to another point.

When the government's economic policies were announced a year ago last spring I seem to recall I was criticized for not suggesting tax cuts as then contemplated by the United States adminisration and which have since been enacted in that country. Those who favoured this course argued—and I think my hon. friend from Burnaby-Coquitlam (Mr. Douglas) was one of them—that the increased personal disposable income resulting from such a policy would give the economy the kind of fillip which it needed at the time. Now, unquestionably this would have been one way of stimulating expansion, but we estimated that a significant proportion, as I think I pointed out to my hon. friend before, of the additional expenditures resulting from a tax cut would have resulted in increased imports of consumer goods, thus adding to the current account deficit in our balance of payments rather than adding to employment opportunities in Canada.

Mr. Douglas: Not if they were applied at the low income levels.

Mr. Gordon: Well, I would ask my hon. friend, where else would he think this government would apply such tax cuts?

Mr. Douglas: I would be very glad to tell him.

Mr. Gordon: I would be glad to tell him too. To do the job for the purpose we had in mind they would, of course, have been applied in the place where they would do the most good. Another point we took into consideration at the time was this, that there could be no assurance that the whole amount of the tax cut would be diverted to increased consumer spending. In fact, this has so far proved to be the case in the United States where there are various estimates of the proportion which has been added to personal savings and not spent on purchases of goods which would have stimulated the economy.

In any event, the Canadian government decided that in the circumstances we faced in the spring of 1963 the most effective way

of expanding the economy and dealing with the unemployment problem was to encourage capital spending. I remember saying this a year ago, and it was the fact. This we did on a scale and in a manner which was not fully understood, I suggest, by some of the critics of our policies at the time. Nevertheless if I may say so I think the results have been right up to expectations. Not only has the Canadian economy made great strides, not only has employment increased and unemployment been reduced and not only are we very substantially better off now than we were 15 months ago, but the over-all performance of the Canadian economy has been appreciably better than that of the United States.

In this regard I should just like to put on record a few statistics, Mr. Speaker. The increase in industrial production between June 1963 and June 1964 has been 5.6 per cent in the United States and 8 per cent in Canada. The increase in total employment between July 1963 and July 1964, using the latest dates for which I have comparable figures, was 2.2 per cent in the United States and 3.3 per cent in Canada. The reduction in the rate of unemployment seasonally adjusted from July 1963 to July 1964—which I think is the best way to make the comparison—was from 5.6 to 4.9 per cent in the United States and from 5.9 to 5 per cent in Canada. Since July it has dropped to 4.8 per cent. The increase in merchandise exports for the first six months of 1963 and 1964 was 14.4 per cent in the United States and 22 per cent in Canada.

Mr. Diefenbaker: What about the percentage of imports? Have you got that?

Mr. Gordon: The imports have increased in Canada but not as much as exports, as my hon. friend suggested in his remarks. They have gone up because of this great capital spending program which has been going on. As one would expect, there have been importations of machinery and equipment, which was one of the things we were hoping would transpire.

No one can say with certainty that the Canadian record will continue to be better than that of the United States, but I can say with some confidence that based on the results of the past 15 months Canadian economic policies have paid off. There has been a tremendous upsurge in capital spending from which we are all benefiting and from which we shall continue to benefit in the months and years to come. I can only assume from this that hon. members in all parts of the house will agree with me when I say that the economic policies introduced by the government in the spring and summer of 1963 have been vindicated by events.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: What were those policies which have been vindicated?

Mr. Gordon: I am afraid my right hon. friend has not been listening to me. As was pointed out a few minutes ago, I have been talking too long. I was urged not to go on any longer than I need because all hon. members are anxious to get on with the business of the country, so while I still have some more to say about the progress of the Canadian economy I will save it for another time.

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

The estimates of the following departments were first taken up and entered for consideration.

DEPARTMENT OF DEFENCE PRODUCTION

Emergency measures organization—

20. Administration and operation, $2,600,000.

DEPARTMENT OF FINANCE

1. Departmental administration including administration of the Farm Improvement Loans Act, the Veterans Business and Professional Loans Act, the Fisheries Improvement Loans Act, the Prairie Grain Producers Interim Financing Act, the Prairie Grain Loans Act, the Small Businesses Loans Act, the salaries and expenses of the inspector general of banks office, and grants as detailed in the estimates, $2,710,400.

DEPARTMENT OF JUSTICE

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows and other dependants of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,109,600.

LEGISLATION

1. Allowance in lieu of residence to the Speaker of the Senate, $3,000.

DEPARTMENT OF NATIONAL REVENUE

1. General administration, operation and maintenance including authority, notwithstanding the Financial Administration Act, to spend revenue received during the year from firms and individuals requiring special services, $44,388,500.

PRIVY COUNCIL

1. Maintenance and operation of the Prime Minister's residence, $32,500.

Corporations and Labour Unions Act

DEPARTMENT OF TRADE AND COMMERCE

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,180,500.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $6,491,400.

Proceedings reported.

CORPORATIONS AND LABOUR UNIONS RETURNS ACT

AMENDMENTS RESPECTING FILING OF CORPORATION RETURNS

Hon. Mitchell Sharp (Minister of Trade and Commerce) moved the second reading of Bill No. S-35, to amend the Corporations and Labour Unions Returns Act.

He said: Mr. Speaker, the Corporations and Labour Unions Returns Act was passed in April 1962 and became effective January 1, 1963. The legislation provides for the reporting of financial and other statistics relating to the affairs of corporations and labour unions carrying on activities in Canada. The purpose of the act was described at the time of its introduction to produce certain statistical information on the operation of the economy, the extent of foreign control, and effects of this control. In the course of the debate on this legislation in April 1962, the minister informed the House of Commons that the present form of the legislation was to some extent experimental, that there was a recognition of the importance of good relations with suppliers of data and that amendments to the legislation would be introduced in the light of experience. The amendments that are now before the house carry forward these assurances. The amendments, which affect mainly that portion of the act applying to corporations are designed first, to eliminate a substantial burden to some 30,000 large and medium-sized corporations who at present have to provide virtually the same financial information to the dominion statistician and the Department of National Revenue, and second, to eliminate duplication by these two separate government bodies, that is the dominion statistician and the Department of National Revenue, by establishing an integrated collection and tabulation procedure.

As will be recalled, the information on corporations collected under the Corporations and Labour Unions Returns Act is separated into two clearly defined classes. The first class includes information on directors and share ownership and is available to the public. This class of information would remain unchanged, except that the amendment will facilitate the reporting of information on the distribution of outstanding share capital by permitting this information to be reported as of any specified date within three months before the end of the fiscal year rather than at the end of the fiscal year only. Corporations frequently prepare this information for their own purposes as of dates prior to the fiscal year-end and this amendment is intended to allow a single tabulation by the company to meet the requirements of the act as well as of the corporation. This information is available to the public, and will continue to be available.

The second class of information reported under the act relates to financial statements and certain specified payments to non-residents. This financial information is confidential and is available for government use only. The remainder of the amending legislation applies to this class of information.

As previously indicated, the financial statements required by the Corporations and Labour Unions Returns Act are virtually identical with those submitted to the Department of National Revenue for corporation income tax purposes. Shortly after the act was proclaimed it was provided by regulation that a copy of the latter statement, as filed with income tax, could be filed with the dominion statistician as compliance with this portion of the act. This provision, while it helped respondent companies, did not fully satisfy them and suggestions were received from many firms that a single financial statement, the one received by the income tax authorities, should be used instead. To accomplish this, two changes are proposed in the present amendment. One of the amendments is designed to provide for the same certification arrangements under the Corporations and Labour Unions Returns Act as under the Income Tax Act. The other is designed to provide that corporations have complied with the requirements of the act, as far as financial statements are concerned, by submitting financial statements to the Department of National Revenue for taxation purposes. Other information now required under the Corporations and Labour Unions Returns Act—payments to non-residents and the information on directors and share ownership—would be submitted through the Department of National Revenue at the same time.

The amending legislation envisages also a single tabulation operation to meet the needs of both the dominion bureau of statistics and the Department of National Revenue after

financial returns are submitted to Ottawa. The Department of National Revenue now examines, punches and tabulates information on about 28,000 companies for its own purposes and in order to publish the annual volume known as "Taxation Statistics". The staff of the dominion statistician is required to do the same under the Corporations and Labour Unions Returns Act for about 30,000 companies, most of which are the same companies. An integrated operation has obvious advantages. The resulting combined data, as contemplated by this legislation, will be prepared on a single consistent basis, avoiding a degree of confusion which it would otherwise be difficult, perhaps impossible, to avoid. In addition to an annual report as required by the legislation, the dominion statistician would assume from the Department of National Revenue responsibility for preparation and publication of the corporation portion of the annual report, to which I have referred, "Taxation Statistics". This integrated program is made possible by giving the dominion statistician access to national revenue corporation tax returns, and this is one of the main purposes of the act.

Access by the dominion statistician to these tax returns calls for special measures to preserve the same sort of secrecy of corporation tax returns as now exists. This involves repealing that section of the Corporations and Labour Unions Returns Act which now gives officials of government departments access to financial statements under certain specified circumstances. The question naturally arises as to whether this is a serious loss. It appears to the government that the advantages of this arrangement considerably outweigh its disadvantages. In fact, during the one and a half years that the legislation has been in effect access to individual corporation records has not been necessary, and need by government for information has been satisfied by summary tabulations. It may be that access to individual company statements might be useful at some future time, but against this must be weighed the annual reporting cost and inconvenience to some 30,000 reporting corporations. Experience suggests, moreover, that less burdensome procedures could be used to meet these needs, and if members be used to meet these needs, and if members of the house would like some further information about this when the bill is before the committee I will be very happy to suggest what those alternative procedures might be.

I should state, in conclusion, that the amending legislation has been developed after careful study by the Department of National Revenue and the dominion bureau of statistics in consultation with other interested government departments. The present burden of duplicate reporting had given rise to many complaints and to suggestions from the business community that the returns required under the Corporations and Labour Unions Returns Act and under the Income Tax Act should in some way be consolidated. As I have already indicated, the proposed amending legislation will eliminate a burden to business, eliminate duplication in government departments, facilitate more effective processing of corporation financial statistics, and free resources to produce more comprehensive and detailed statistical studies and analyses which, in line with the purposes of the act, will throw added light on the operations of vital areas of the economy. Furthermore, these amendments do not in any way impair the information on directors and share ownership made available to the public under this legislation through the Secretary of State.

Mr. Aiken: Mr. Speaker, may I ask the minister a question? Under this particular amendment to the act will the dominion statistician now have access to returns of all corporations and not just those which formerly had to file returns, and is this a relaxation of the original intention of exempting certain corporations and labour unions from filing these returns? If I read the bill correctly, while certain returns are not now required to be made by certain companies, this bill now authorizes the dominion statistician to look at any income tax return of any company without limitation.

Mr. Sharp: Yes, that is right, Mr. Speaker. It does that. It still preserves their secrecy, but it gives the dominion statistician access to more and better information than would be available under the corporation returns act. As I said in the course of my remarks, the dominion statistician will be taking over from the Department of National Revenue certain functions in connection with analysis and publication of statistics in summary form.

Mr. Smith: May I ask the minister a further question? He said that many corporations had objected to the duplication of returns and had asked for simplification, but I wonder how many corporations or organizations representing business corporations have suggested that the dominion statistician be provided with access to their income tax returns?

Did that suggestion come from any business organization?

Mr. Sharp: Not so far as I am aware, Mr. Speaker.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this bill appears to be very innocuous, but I should like to point out to the house that its implications are far greater than the minister has led us to believe. I think that the last two questions put by the hon. member for Parry Sound-Muskoka (Mr. Aiken) and the hon. member for Simcoe North (Mr. Smith) have pointed this up. In any event, I agree there was a fundamental departure with the introduction of this legislation in 1962, and I think at that time there were certain people who, frankly, were a little dubious about it and had reservations.

The legislation was effective from January 1, 1963 and already we have certain amendments being put forward on the basis of the introduction of a bill in the other place. With regard to the first class of information required under part A concerning shareholdings and so on, I dare say there are some advantages in having a degree of flexibility so that the shareholdings shall not be those listed on the last day of the fiscal period. The question of whether the period should be three months, 60 days or only one month is a matter for decision, and perhaps on the basis of experience a period of three months was found to be more flexible. I have no further reservations with regard to that point except that I think a period of three months does allow for certain changes to take place which might otherwise be shown in the intervening period.

However it is with regard to the second class of information to which the minister has referred that I part company with him. We are being asked this afternoon to underwrite what is really administrative convenience. There is an inviolate principle of confidentiality with regard to income tax returns. We know that in other sectors it takes an order of the court to bring about the production of an income tax return. Corporations, like individuals, are entitled by law and by tradition to confidentiality of their income tax returns.

The information that is sought in part B is the same fiscal information which the company is required to file under certain safeguards of secrecy. The minister said it is virtually the same information supplied in the income tax return, but it is not the same information. In that regard I should like to have the minister define just how "virtually the same" it may be. What is the degree of similarity between the return filed with the Minister of National Revenue and that required to be filed with the dominion statistician?

I can understand quite readily that a corporation may be prepared to file a second copy of its income tax return with the dominion statistician voluntarily and may signify its willingness to do so, but for the law to say that its income tax return shall be the equivalent to the return required to be filed under part B and that the dominion statistician shall have the right to enter into the records of the Minister of National Revenue with regard to corporations and extract the required information from those returns is another thing. In addition, not only is the dominion statistician to be authorized to examine the income tax return for the information now required under part B, but this amendment will authorize the dominion statistician to examine any and all information, relevant and otherwise, filed by a taxpayer. My colleagues point out that I may have created a little confusion. I mean a corporate taxpayer, because after all we are not talking about individuals here.

But why is this being done? The minister indicates that the purpose is to introduce an integrated operation and that the dominion statistician will now take over the preparation of the annual statement of statistics compiled by the Minister of National Revenue and which is prepared by his officials in summary form. Any taxpayer knows that the information on which it is based is absolutely inviolate so far as secrecy is concerned. We are being asked to authorize another individual or officers under his jurisdiction to enter into the Department of National Revenue.

Already we find a great reluctance among the general public to answer questions with regard to the census because they fear that another government department may have access to this information and may create some difficulties. This reluctance on the part of the individual often leads either to a refusal or to difficulties with the census taker. If for the purpose of integrating operations under the act under consideration at the present time, the Corporations and Labour Unions Returns Act, and the Income Tax Act we are going to allow the dominion statistician to have access to corporate income tax returns, then I say this is more than the thin edge of the wedge. If today it is the dominion

statistician, tomorrow it may be another individual in the government service. I cannot see why—I have great reservations about this—for reasons of administrative convenience, we are extending or derogating from the principle of the confidentiality of income tax returns.

I wonder why it is found that so many concerns have expressed objection to the filing of this information; yet they do. They object also to supplying statistics for the Unemployment Insurance Act or the Statistics Act. This is another return for the government. Parliament has decided that this information dealing with the degree of foreign control of corporations and other related matters should be available. It is information which would otherwise have to be obtained by examining income tax returns. The previous administration, I think, respected the principle of the confidentiality of income tax returns. In my opinion they acted rightly. If a corporation, however, wishes to give a copy to the dominion statistician for the purposes of the Corporations and Labour Unions Returns Act, that is its own decision. It waives the secrecy of its own return. However, these amendments take away the secrecy of these returns, although they do clothe the accessibility with a certain degree of secrecy.

These amendments, Mr. Speaker, go beyond what was indicated by the minister's presentation. It is not only the return that is to be filed with the Minister of National Revenue which would be deemed to be a statement filed for the purposes of the Corporations and Labour Unions Returns Act, but it gives access to further documents and further information. In other words, under the proposed amendment the dominion statistician can wade through, willy-nilly as he desires, all sorts of returns and information filed by a corporate taxpayer. I do not believe this is right, and I am opposed to this sort of thing.

I think myself that if we are going to have acceptance of the continuation of a principle of confidentiality of income tax returns, it should be extended to the corporation as well as the individual. Why should it be respected for an individual and not a corporation? There are many men in business on their own who are quite as successful and earn just as much as, if not more than many corporations. However, nothing is being asked of them; their returns are to be left alone. Under these proposed amendments we create two categories of taxpayer in so far as the secrecy of returns is concerned. I do not believe that is right. A man in business on his own, who may be very successful, should be in the same position as a corporate taxpayer; or vice-versa, the corporation should be in the same position as the individual in so far as the inviolability of the tax return is concerned.

I myself am not satisfied with the explanation of the minister. I must say that I would much prefer to hear a clearer and more detailed reason as to why this rather extraordinary step is being taken. I can see that it will be a nice, neat package, or it would appear to be so, from an administrative point of view. But where do we stop administrative convenience at the expense of the rights of individuals, be they persons or corporations? I am quite anxious to hear the minister reply to these few remarks. I think any further remarks I have to make will be made at a later stage in the debate, depending on the decision of the house with respect to these amendments.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I had hoped—

An hon. Member: Six o'clock.

Mr. Knowles: I am getting lots of advice that it is six o'clock, and it is, Mr. Speaker.

Mr. Deputy Speaker: Is it the desire that I call it six o'clock?

Some hon. Members: Agreed.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Knowles: Mr. Speaker, there are three things I want to say about this bill, second reading of which is now before the house. It is always risky for a speaker to say in advance how many things he wishes to say because he may think up other things as he goes along. However, to begin with there are three things I want to say.

First, I am disappointed that the Minister of Trade and Commerce (Mr. Sharp) in introducing this legislation did not give us something in the nature of a report on the act which it is proposed to amend. I think he should have told us whether it has been found to be worth while. I think he should have told us what its purposes are and whether or not those purposes are being realized. In fact I think he should have posed

for us the question whether or not the Corporations and Labour Unions Returns Act should be continued at all. I shall return to that point later, but for the moment that is the first heading I have in mind this evening.

The second observation I want to make is that unless the minister can persuade me otherwise it looks as though the amendments proposed in Bill No. S-35 are discriminatory in favour of corporations as against trade unions. Perhaps I should develop that point right now. The main purpose of these proposed amendments, as I understand it from the remarks of the minister and from reading the bill, is to simplify the task which corporations face in completing and compiling the returns called for under the Corporations and Labour Unions Returns Act. The main way in which this simplification is to be achieved is by permitting corporations which make returns under the Income Tax Act to be excused from making similar or comparable returns under the Corporations and Labour Unions Returns Act. This looks very innocent on the face of it, but what it does is to bring the kind of information which corporations are required to file under the Corporations and Labour Unions Returns Act within the secrecy provisions of the Income Tax Act.

There is no suggestion anywhere in this amending legislation that the same privilege is to be accorded to the trade union movement. Rather, the whole amending bill deals with corporations and, as I see it, it allows them a cloak of secrecy with regard to this information which they do not now possess. That, it seems to me, is contrary to the whole spirit of the original act as it was brought in by the previous government. After all, the whole purpose of that act was to bring to light certain things which were of concern to the previous government. That is being forgotten and there is an element of discrimination in what the government now proposes as a remedy. I do not know whether "remedy" is the word. It is a concession to firms which have found it awkward or onerous to supply this kind of information.

The third comment I wanted to make is that I cannot weep any tears with the hon. member for Edmonton West (Mr. Lambert) because there may be some invasion of the inviolable secrecy of the Income Tax Act as far as the corporations are concerned. This of course to the hon. member for Edmonton West, and no doubt to his friends, amounts to invading the holy of holies. As hon. members know, many years ago I did in fact introduce a bill to amend the Income Tax Act so as to remove the veil of secrecy from corporate income tax returns when information filed in that way was sought in either of the houses of parliament. So I do not think the Minister of Trade and Commerce need pay too much attention to the criticism which has been made of this legislation by the hon. member for Edmonton West and which, no doubt, will be made by other members of the Conservative party if they speak on second reading of this bill.

As a matter of fact—and this comes under at least two of the headings I have in mind tonight—I am surprised that the hon. member for Edmonton West, who belonged to the party which was in power when this legislation was brought in, should wish to clamp down a veil of secrecy. After all, the whole purpose of this legislation was to find out what the story was with respect to the influence of foreign entities, either corporations or trade unions, in the economic life of this country. I hear the hon. member for Simcoe North (Mr. Smith) telling me quietly that I have misinterpreted what the hon. member for Edmonton West had to say. If I have done so I will be glad to correct what I have said. But the concern which the hon. member for Edmonton West is showing for the secrecy provisions of the Income Tax Act is a concern which somehow gets shown with particular feeling when corporations are involved.

Mr. Aiken: Does this not apply to the unions, too?

Mr. Knowles: I assume that my hon. friend from Parry Sound-Muskoka must have come into the chamber since eight o'clock.

Mr. Aiken: Yes.

Mr. Knowles: That gives me the right to disregard the rules against repetition and point out to him that the amending bill being brought in by the Minister of Trade and Commerce permits corporations under this act to file their information under the Income Tax Act instead of under the Corporations and Labour Unions Returns Act, and therefore to take advantage of the stricter secrecy provisions of the Income Tax Act. But that right is not accorded to trade unions. I suggest, Mr. Speaker, that is an element of discrimination that should not be introduced.

May I go back, however, to the first point I made and say to the Minister of Trade and Commerce that I hope when he takes advan-

tage of the opportunity that will be his to close the debate on second reading he will tell us something about this act. After all, he was not here when it was passed, but I do not think his party, in opposition at that time, was very enthusiastic about it. Surely the minister must have some idea as to whether it is worth having on the statute books; as to whether it is worth all the trouble to which it puts both corporations and trade unions, in order to get this information. I agree with the minister that it is good to have information. I may point out, Mr. Speaker, that when the Canadian Labour Congress spoke against the enactment of this legislation even before it was proposed, it made clear that it was in favour of the collection of all information necessary for the efficient running of our economy. But I suggest that the purpose of this legislation was more than just an academic interest in the collecting of information. Indeed there was at least in part a malicious intent in the legislation.

I think we should be told by the minister who is responsible for the branch of government that is administering this act whether anything of use has come to light during the time this information has been collected. I believe we should be told whether anything has been proven by the collecting of this information. The minister told us—and other figures that we have substantiate it—that some 29,000 or 30,000 corporations are filing returns. He told us that at the present time both the dominion statistician and the Department of National Revenue are punching cards to compile all this information. In addition to that we know that about 100 international unions and about 50 national unions are filing the same information and that all this information has to be punched, compiled, computed and tabulated.

We are for information being obtained. We think we should have all that is necessary. But is this information necessary? Is it providing anything? Is it being helpful? Let me put it another way, Mr. Speaker: is any information being obtained as a result of this legislation and all the work that goes into carrying it out that is not obtained in other ways? On the side of the corporations, is not all the information that is obtained under this act obtained either through the operations of the Income Tax Act or through the publishing by corporations, under the requirements of the Companies Act and other legislation, of their annual financial statements?

I ask the same question with regard to trade unions, both international and national. Is not all the information that is obtained by the operation of this act made public already by the annual statements that international and national unions publish in connection with their conventions, which they hold freely and openly throughout this country?

I come back to the position taken by the Canadian Labour Congress when this legislation was first brought in. The congress, through its officers, appeared before the government of the day on February 2, 1961, and noted that the speech from the throne that had just been given disclosed that there would be legislation introduced along the lines of the Corporations and Labour Unions Returns Act. The congress at that point said that of course it would have to wait to see the legislation before it would make detailed comment; but it did say this, which I think still holds—and I am reading from the brief of the Canadian Labour Congress to the government of the day on February 2, 1961:

> We would like to comment, however, that there are important distinctions to be made in the matter of disclosures as between business and labour organizations. As you are undoubtedly aware, to a very large extent the financial and other affairs of foreign-owned subsidiaries in Canada remain very much matters known only to the foreign headquarters of these subsidiaries. Such subsidiaries, while physically located in Canada, may be so controlled from abroad and so manipulated as to operate contrary to rather than in the Canadian interest. It is obviously desirable, therefore, that the veil of secrecy which surrounds their operations should be removed and that the people of this country should know at least as much about these subsidiaries as they are able to learn about Canadian-owned public corporations.

It might be argued that the legislation as it was put upon the statute books in part at least met that desire. If it did, that is being detracted from now by the opportunities corporations will have to file their returns in such a way that they will be under a strict veil and cloak of secrecy. Let me read another paragraph from this 1961 brief of the Canadian Labour Congress:

> For international trade unions, the case is somewhat different and we are inclined to take exception to the coupling together of business and labour organizations since to our mind they cannot be so readily equated. But the record will indicate that there is far less secrecy about the operation of international unions in Canada than is the case with international corporations. The constitutions of our unions are open to scrutiny to anyone who cares to examine them. Almost all unions nowadays publish detailed financial statements in a way which makes them available to the public as well

as to their own members. Union conventions are held openly. In fact, there is no institution in Canada today which has been so minutely scrutinized in recent years as the trade unions, and the public's ability to do so rests largely on the fact that there is little or no secrecy attached to union activities. We are therefore not likely to upset readily any legislation which will interfere with the internal affairs of the trade unions by making mandatory what is already done voluntarily, or by imposing rules and regulations for the conduct of trade union affairs which more properly should be done by the unions themselves. The century-long record of the trade union movement in Canada does not warrant any legislative interference.

It might be said that this was the view of the Canadian Labour Congress when all it had was warning in the speech from the throne that this legislation was coming. It might be said that body should have waited until the bill had come to light. I draw the attention of hon. members to the fact that after the bill had been introduced and passed, and during the time when it had not yet been proclaimed, the Canadian Labour Congress appeared again before the former government —this was on December 11, 1962—and had this to say about the very legislation which then had been passed and which we are now being asked to amend:

We have on two previous occasions referred to the Corporations and Labour Unions Returns Act. We have expressed strong criticism of it. We have challenged it on grounds of principle as well as for technical reasons.

A fresh examination of this legislation has served amply to confirm the feelings we already had. We are persuaded that the act, to the extent that it affects trade unions, will impose on them unnecessary and onerous burdens in the matter of reporting a variety of kinds of information. This will be a hardship for smaller unions in particular but may seriously impede the legitimate activities of all unions. A great deal of paper work will be involved and it is altogether possible that unions will find it necessary to make constitutional and other procedural changes in order to satisfy the requirements of the act. In addition, the ambiguity or lack of clarity of some of the provisions gives us further cause for apprehension.

That was the view of the Canadian Labour Congress about this legislation after it had been passed. That was part of the brief presented to the former Conservative government on December 11, 1962. In the very next paragraph there is a sentence in which the congress urged the government of that day not to proclaim that legislation. That request that it be not proclaimed was made on December 11, 1962, and the response of the former government was that it was proclaimed effective January 1, 1963. In any case it was the view of the Canadian Labour Congress that this legislation as far as trade unions are concerned was not necessary, and that any information required from trade unions was readily available. Nothing is being done in this amending bill to make the situation less onerous for trade unions; as far as corporations are concerned it is being made less onerous, and as part of the bargain they are also given the means whereby the information supplied can come under the veil of secrecy which obtains under the Income Tax Act.

Therefore, Mr. Speaker, it seems to me that instead of the casual introduction of these technical amendments which the minister gave us he should have told us quite frankly whether in his view as a Liberal cabinet minister this legislation is necessary at all, and I hope that at the end of the debate on second reading he will tell us what he failed to tell us at the start of the debate.

Mr. Heber E. Smith (Simcoe North): Mr. Speaker, sitting as close to the hon. member for Winnipeg North Centre (Mr. Knowles) as do the hon. member for Edmonton West (Mr. Lambert) and I, it is hard to understand how the hon. member for Winnipeg North Centre could have so completely misheard what my colleague was saying this afternoon. Our objection to the extension of the powers of the dominion statistician to inspect the income tax returns of companies is not that it protects the companies concerned; it is that it puts into the hands of the dominion statistician unnecessary information which could be misused. Beyond that, it could also inhibit the operations of this particular act. If a company voluntarily submits the information to the dominion statistician, as it would do to the income tax authorities, then that is all right. Our objection to these amendments is that they will not make the operation of this act more efficient.

It seems to me that the explanation given by the minister this afternoon was rather casual and slight. I am not even sure that he had his heart in it, because at a certain stage of his explanation he rather tried to suggest that this bill was merely an extension of Conservative legislation. I am sure that if he was proud of it he would not have made that concession. Actually that is not so: This bill is not an extension of our legislation.

I think that before this debate closes we should have a considerably fuller explanation of the amendments than we have had. For example I would want the term "virtually identical" explained. I think we should have a complete explanation of what is required by the dominion statistician and what is required under the Income Tax Act. I am wondering whether the amendments are not being made

an excuse rather than filling a need. The minister says that many corporations have objected to filing these returns. Most people in varying degrees object to making returns to the government. Every time one makes out another form he says: "What the so-and-so am I doing?" I am wondering whether that is the kind of objection to which the minister refers and whether the people interested in extending bureaucratic control have not seized on this rather general objection to specifically widen bureaucracy in the government.

The hon. member for Winnipeg North Centre says that this legislation is loaded in favour of permitting the companies to become more secretive, thus rendering this particular legislation less effective. I do not think that is the purpose, but if it is we should know about it. We should also know whether or not the corporations, through their organizations, are in favour of it. We have heard nothing from the minister about what the various tax associations and other business organizations feel. Perhaps rather than dealing with the matter now this bill could be referred to our banking and commerce committee, and if these organizations wanted to make representations the opportunity would then be given them. We could also hear representations in a general way from the Canadian Labour Congress and other labour organizations.

It seems that the more one looks at this the greater are its implications. I think it would be dangerous just to slip this legislation through as routine, having been blandly assured that it is merely an extension of former legislation. I feel that rather than an extension of former legislation it is changing the course of that legislation, the purpose of which was to make public certain matters. Under the amendments those matters which were to be made public are perhaps going to be made secret.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to review the original course of this bill. I think it is worth noting that when it was introduced by the then minister of justice, Hon. Davie Fulton, it was portrayed as being a rather hardy jewel which was being placed on the Conservative party crown of nationalism. The bill was brought in in 1962 after considerable delay, and at that time those of us who were in the house were somewhat surprised at the attitude of the official opposition, who put up as their main speaker and critic the hon. member for Hull (Mr. Caron). He gave the house no indication that the official opposition was against the purpose of the bill but he did make some criticisms about specifics. Surprisingly enough the bill was debated for quite a long time, I think a total of about four days, and things became rather bitter between the minister as proponent and members of the opposition, including my colleague from the constituency of Skeena (Mr. Howard).

I have two points I want to make. First of all, the Conservatives presented this legislation as one of the most important pieces of legislation leading to the development of Canadian nationalism, particularly where corporations and trade unions were concerned. The official opposition's attitude was not critical, but it was never really explained whether that party was for it, was enthusiastic, or whatever the case was. However, I think it is fair to say that a certain amount of cynicism about the bill and the intentions of the government of that day was expressed by Liberal spokesmen, particularly the hon. member for Bonavista-Twillingate (Mr. Pickersgill).

Just to reinforce the emotion with which the bill was presented I should like to read a paragraph from Mr. Fulton's presentation, as reported at page 2396 of *Hansard* for April 2, 1962. He said:

> This is an extremely important bill, and it forms an integral part of the government's national policy.

Those words "national policy" are fateful words, as the Minister of Trade and Commerce (Mr. Sharp) will acknowledge. Mr. Fulton went on:

> Canadians are becoming increasingly aware of their nationhood and of the importance of developing to the full the cultural, social and economic resources of this country. This bill is directly related to the efforts the government has been making in such fields as the domiciling of our constitution in Canada, and also to the numerous steps the government has already taken, and is taking, to encourage the development of the nation's resources, their control by Canadians and their use primarily for the benefit of Canada.

In other words, this bill originally had a very noble purpose, I suppose part of the psychology was that by including all corporations above a certain level of revenue it would make them—particularly the ones that were foreign subsidiaries controlled from the United States—self-conscious about their Canadian operations, realizing that the government was looking at their shareholdings and the profits that were being taken out. This may have been a very good thing, but we do not know. Is it working? The minister gives

no indication at all that it has been useful in this regard.

One other point that was made in connection with the act, and I take this also from Mr. Fulton's statement, was referred to when he said in conclusion:

> I should like to conclude with a few remarks as as to the policy of the bill. In the first place, as I have already stated, it is in a sense a first step. Second, it is designed to enable the government to understand the operations of the Canadian economy, an economy which admittedly owes much and will continue to owe much to foreign investment. However, no nation which calls itself sovereign can be careless of the extent of results of foreign control of vital segments of its economy. It is essential that we should at least understand careless of the extent or results of foreign control so that we may be able sensibly to determine the policies which should be followed in order to direct our own affairs as Canadians in the kind of world in which we live.

Again this was a very charming closing to the introductory speech to the bill.

The minister does not give us any indication at all that this act is working in this regard. All we really know or have is a report that was filed in answer to a question asked by the hon. member for Bow River (Mr. Woolliams), which indicates that all the international and most Canadian unions have reported, and that some 20,000 odd corporations have also filed reports. I must say that I am delighted to know that that many corporations have complied with this act, because we heard Louis Lesage, the fellow who administers the Companies Act in another place, reveal something the other day that some of us found out a few years ago in so far as the Companies Act is concerned, and that is that the reports that are required by that act are being ignored by thousands and thousands of Canadian corporations.

This brings me to another point in relation to this bill, and again I am going to stress the fact that we have been given undertakings in this house—by the previous government I will agree—to the effect that the whole Companies Act was to be revised after interdepartmental discussion and after many meetings with provincial representatives so that, as Canadian chartered accountants and other business organizations wanted, we would join in having a common, rational and balanced company law throughout Canada. We have amendments coming from the other place at the present time to the Companies Act. At the time the original proposer of this bill proposed it, he suggested that this had been considered—that is, a change in the Companies Act to get this particular information—but it was felt that since the federal Companies Act did not sufficiently cover the corporations that needed to be considered, this could not be done at that time. I suggest if we are going to have a complete rewriting of the Companies Act, with standardization across the country, this is exactly the kind of thing that should be codified in co-operation with the provinces, so as to obtain this kind of information. That is why I wondered about these piecemeal small amendments at this time.

At the time of the original proposal the proposer said that the question had been considered of obtaining the information from the Department of National Revenue rather than having this report sent to the dominion statistician, but it was felt since the government was willing by this act to accept merely a copy of what was going to the Department of National Revenue, and since copying is very easy for corporate organizations—necessitating the use of Xerox machine—there was no real inconvenience, and the information could be largely identical, but it would go to the dominion bureau of statistics.

In the other place the dominion statistician suggested there is a great deal of duplication in terms of statistical analysis in this area. He pointed out that in respect of the taxation statistics that are published by the Department of National Revenue each year there is a duplication, and it is all punched out. This is not my understanding of the kind of information that was being sought. I cannot find any taxation statistics in Canada that give any real indication or understanding of the extent of foreign shareholdings in Canadian corporations. I cannot get from that information any indication as to the trends of shareholding or the amount of profit going to the parent organizations. Most of this kind of information I will admit should perhaps not be coming to me or any other individual, because this information probably is collected under clause 4(b) of the act.

However, I want to know whether the government really is getting and analysing this information. If we are merely by this amendment pawning off the right of the dominion statistician to look at the files or information collated by the Department of National Revenue, that is not good enough because the Department of National Revenue does not analyse this information from the point of view of the original purposes of this act.

This government is on record, largely through its Minister of Finance (Mr. Gordon), of being extremely vigilant. We remember the budget of 1963 and how terribly vigilant

the government was in repatriating Canadian ownership back into the Canadian financial community. Most of us can remember those provisions in the minister's budget of which he was so proud this afternoon, but which were wiped out very early. Why were they wiped out? I suggest they were wiped out because there was such an objection raised in respect of the changes that were going to affect United States ownership the government had to retreat. So far as I am aware the Minister of Finance has not retreated from his belief that one of the prime problems that faces the federal government of Canada is finding a method of obtaining a greater share in Canadian ownership, and finding out what we can do to reverse the trend.

One of the little games the Liberal spokesmen played when the Conservatives were in power was for them to point out that there was a trend toward greater United States ownership of Canadian resources, despite Conservative policy designed to put a stop to this and bring Canadian ownership back into the picture. I suppose we can now play that game and suggest that there is no indication at all that the Liberals have been able to stop this trend. Certainly the Minister of Finance backed down from his original approach to the matter. There has been a clear indication through the Minister of Finance that this government is as concerned as the previous one and in the same way, as indicated in those submissions put forward by E. Davie Fulton when he first presented the bill. That is why it is so hard to understand —unless the Minister of Trade and Commerce does not wish to put himself under the same blanket—why he would in a sense almost sneak in with these amendments. We have never had any real indication that the party now in government stands behind the original policy and purpose of this bill. We are no nearer to such an understanding, and that is why I agree with the hon. member for Winnipeg North Centre when he says that this is something we deserve to know. We also deserve to know whether the shifting of information from the repository or files, if you want, of the dominion bureau of statistics, to the Department of National Revenue is really going to be satisfactory, and I must tell the minister that if he reads the evidence given before the committee of the other place by the dominion statistician I am sure he will find it is not an adequate explanation. It seemed to me as though the worthy gentlemen were in a hurry to get on with it, and they did not bother to probe or ask questions.

It also raises another point which bothered me when the original bill came before the house. Why is it that the Senate gets the privilege of examining this legislation in committee and we do not? I cannot understand this. Maybe the idea is that since this piece of legislation relates to corporations and since the Senate is the old folks home for corporate directors it should be their particular prerogative and we "ickies" and "stupes" over here can really be bypassed. I do not think that is quite good enough. I should like to suggest that we should have a look at this bill in committee, inasmuch as a committee of the other place has had an opportunity to look at it.

I really do not feel that these amendments are of tremendous significance although they do have this significance. The bill is an indication that officialdom at least has lost its enthusiasm for cracking down and securing and using the information that was really intended to be sought. That is the first point. The second thing that is quite obvious is that the government is not enthusiastic about the bill as a whole, and I would assume that the legislation is going to waste away.

There are a couple of informational questions I should like to put to the minister. Will he let us see the forms that have been used in order to gather information under this act, or at the very least will he give us the notation in the Gazette where these forms were printed and published? The second thing I should like him to provide for me, and I hope for other members of the house, is the report that we were promised would follow from this legislation. I still have not seen it. Maybe I have missed it in my checking of sources. But I always understood that after the act had been operating for some time a thorough report would be presented together with an analysis of all the information that had been gathered. It was not going to be any really serious or consequential report because that would be ridiculous if you have 2,000 corporations reporting, but we certainly assumed that the information would be analysed, particularly with regard to trade unions.

For example, we have had Hal Banks and the S.I.U. on our minds for at least 15 or 16 months. The S.I.U. is an international union and I assume it has reported under this act. Maybe the Minister of Labour (Mr. MacEachen) can tell us. For example was any useful information with regard to Mr. Hal

Banks' salary, his expense accounts and other reputed incomes revealed?

The point is that we have not been given the significance of the results that have been obtained under this act. Basically the purpose was to gather interesting statistics which I suppose were to give a psychological push to opening up information about Canadian ownership, perhaps to give both Canadian unions with international connections and Canadian companies under foreign domination or ownership an inkling that there was a trend or tide in affairs that must lead to greater Canadian participation in ownership, a declaration of our rights, if you will, in these two fields.

I feel that the minister has been completely inadequate in commenting on this legislation. We were not looking for a major speech, but at the very least he should have given us a succinct account. Perhaps he is all burnt out after his efforts over the week end. I must congratulate him on coming back to the house after his defeat with such a smile. I also see the hon. member for Renfrew South (Mr. Greene) over there. I think the minister could have done better than this.

Mr. Douglas: He could have done better away.

Mr. Fisher: Perhaps he could have done better in Toronto. I think he could have done better with his introduction of the bill. The last point I want to make in connection with this matter has been touched on by the hon. member for Winnipeg North Centre (Mr. Knowles). At the time the original legislation was introduced he was an interested onlooker because of his association with the labour movement. I happen to be one of the members who was in the house at the time and I had the very distinct impression that one of the reasons why we got this rather odd coupling of corporations and trade unions sponsored by the minister of justice of that time, and with the results to come to the dominion bureau of statistics, instead of trade unions being under the Department of Labour and corporations being under the Department of Finance or the Secretary of State, was that the government of the day felt that it would be the best way to get the thing through. If the corporation people kicked it could be pointed out that their rivals were getting it in the neck too, and vice-versa. Actually I think this was rather a successful ploy, if you will, because there was a tendency for corporations to welcome information coming from trade unions and vice-versa.

I think the minister takes pride in being a reasonable man and a tidy administrator. I suggest he should give us his opinion whether he thinks the present act, even with these amendments made to it, is a tidy one. Is there not something rather silly about having trade unions reporting in this particular way and corporations reporting in this particular way, under the one act? It is not tidy and it is not sensible except in terms of some form of anti-Americanism. I do not see why a statute which will require statistical work and research should be set up on such an awkward basis.

There are all kinds of wiping away clauses in the bill. The railways do not have to report under this legislation. Why? Because they come under the Railway Act. Radio and television stations do not have to report because they come under such and such an act. I have a complaint about American ownership in Canadian broadcasting. I have a complaint about American ownership in the Canadian Pacific Railway. We do not know to what extent that exists. But if the purpose of the bill is to provide a continuing analysis of American ownership and control of corporations and trade unions, then I say let us bring all corporate organizations within its scope instead of having them split up and reporting under a whole host of acts. We are not really getting the information, so I suggest that in the interest of tidying things up and having proper administration you should put trade unions under the industrial relations act, or some of the other acts that come under the Minister of Labour, if you want this information from them; and if you need this information from corporations let us bring the reporting of all companies together, no matter what their operations may be, so that we can have a statistical analysis.

I put it to the minister that there is a television station for which his friend from Essex East used to be counsel—perhaps he still is—which everybody knows is 90 per cent owned by Americans. I assume that the statistics for that company are not covered by this act. How are we going to get a picture of the trend? The minister tells us that all he needs are summaries and that summaries will do the job. Obviously the summaries are incomplete. They must be incomplete because so many companies are not covered under the act, but under other legislation.

I suggest to the minister that he might even consider withdrawing the bill and tidying up the whole matter by some larger piece of legislation that would bring all information of this kind together, with corporations probably under the Department of Finance or reporting to some agency thereof and trade unions reporting to the Department of Labour. I have been carried away by my memories of the previous debate and have probably spoken too long, but I hope I have contributed, if not to the enlightenment of the minister, to the enlightenment of a few of my colleagues who may have forgotten the presentation that was made when the act was originally introduced.

Mr. G. H. Aiken (Parry-Sound-Muskoka): A reasonably comprehensive review of the legislation which is being amended has been given by several hon. members in this debate. However I believe the heart of the bill before us and of the amendment itself is contained in one clause, that is clause 4—I do not intend to deal with the various clauses—which adds section 14A to the act. In my view, Mr. Speaker, the addition of this one clause completely alters the whole purpose, intent and direction of this information act.

The original act, Mr. Speaker, as has been pointed out, was introduced in order to obtain certain information concerning non-resident corporations carrying on business in Canada, labour unions with head offices outside of Canada, and so on. This information was believed to be necessary in order to obtain a broad picture of the operations of these non-resident companies, as well as resident companies and labour unions in Canada. The act, as passed in 1962, was very carefully drafted so that it would constitute no invasion of the privacy of income tax returns or other forms. Careful provision was made to ensure that no return should be made except to the dominion statistician and that that return should only have non-secret information in it, the type of information to which competitors, governments and others would be entitled in the normal course of business.

The present bill rearranges the whole purpose of the carefully designed original act because clause 4 will now permit an individual from the dominion statistician's office to go to the income tax office and examine the income tax return of any corporation in Canada under the guise of obtaining certain information. I believe this is a principle that has never been put forward before. I believe it is a breach of the confidentiality of income tax returns. In fact, what the government is saying in introducing this amendment is this: We are going to save you a little bit of trouble in filing those other returns; you will not have to file those special returns under the Corporations and Labour Unions Returns Act. We are going to examine your income tax return and take out of it what we want. This I believe, is the basis of the amendment. The whole principle is wrong and I am going to cast my vote against it unless there is some proposition made to refer this bill to a committee for amendment before it is given second reading.

I think that the principle in clause 4 is basically wrong. I could not possibly vote for it. Some people, like the hon. member for Port Arthur (Mr. Fisher), may say that as soon as you mention corporation the members of the Conservative party jump to their defence. This is more serious than that, because it constitutes what is known as the thin edge of the wedge with regard to income tax returns. I should like, for example, to indicate what the passage of this amendment could do. Clause 14 permits the dominion statistician or any official described in subsection 4 of section 14 to inspect and have access to any return filed or made on behalf of any corporation pursuant to the Income Tax Act.

Now, you may say the information will not get beyond the dominion statistician's office or that the dominion statistician will not take any more information than he really needs. There is nothing in this act however to prevent that happening. This is particularly so in view of clause 14, subsection 5 of the original act which authorizes any official of the dominion statistician's office to obtain this information and to communicate it, (a) to another such person, that is a person such as himself or, (b), to allow any other person to inspect or have access to any statement or any writing containing any privileged information given under this act. These are the people who may give out any of this information. In effect therefore any corporation that has filed an income tax return is legally liable to have someone from the dominion statistician's office go and examine the income tax return, take out whatever the dominion statistician feels he needs for the purposes of this act, and he can then pass it on to any other person to whom he is inclined to give it.

This is carrying it too far. One of the things that has built up confidence in the administration of taxation measures in this country is the fact that the Department of National

Revenue refuses to give out information contained in tax returns about the private affairs of a company which would be useful to its competitors or would be useful even to the crown in the right of the minister of justice on a criminal charge. The public in general, therefore, has extreme confidence in the confidentiality of their returns. These returns are filed accurately, or at least as accurately as one can hope, without any fear that someone is going to extract information from a return and make it public.

You may say that this is all done in a nice, accounting sort of way, that it is drawn up in tables and no company could be identified or picked out even if the dominion statistician wants to take more information than was originally allowed under this act. However there are many fields of endeavour in which a limited number of companies are engaged. This is just like the voting in some of our remote areas in which perhaps only one person votes. Certainly the secrecy of that particular vote is gone. Moreover if only three people vote and they all vote one way the secrecy of the vote is gone.

The situation is similar here. There must be many fields of business and manufacturing in this country in which there are limited numbers of people involved, and any return which showed more information than was strictly necessary could surely be traced back and be used in the manner I have mentioned. These are the things that are serious.

Moreover, this is a breach of the principles set out in the Income Tax Act where a penalty is provided for any person giving out confidential information to people who are not entitled to receive it. I presume that in addition such a person would be liable to dismissal. I should like to read from section 133 of the Income Tax Act which states, in relation to such communications:

> Every person who while employed in the service of Her Majesty has communicated or allowed to be communicated to a person not legally entitled thereto any information obtained under this act—

And so on. I stress the words "not legally entitled thereto" because if we pass these amendments the dominion statistician, any officials employed by him or any person to whom the dominion statistician chooses to give this information in the line of duty would be legally entitled to it under section 14 of the act we now have under consideration. In other words, under the guise of making this information easier to provide by the companies concerned we are relaxing the secrecy provisions beyond anything intended in the Income Tax Act and we are not preserving the confidentiality which in Canada we have always been led to expect would attach to income tax returns.

As I said a moment ago, I do not think we have given sufficient consideration to the effect of clause 14. The provisions of the rest of the bill do not appear to be dangerous or damaging. Alternative ways of making the returns are provided. The requirement with regard to signatories has been altered, and so on. All this is inconsequential. But clause 14 does, I believe, constitute a serious invasion of privacy and a relaxation of the secrecy provisions of the Income Tax Act far beyond what was intended. For these reasons I believe the act should be given further consideration and that we should receive much fuller explanation before it is passed as presented. I know that a number of my friends are prepared to speak on this and that they will give the measure all kinds of consideration. As far as I am concerned, though, I will have to vote against it if the motion comes to a vote.

Mr. Terry Nugent (Edmonton-Strathcona): This seemingly innocuous measure presented to us by the government is not, in my opinion, nearly as innocuous as it would appear from the remarks of the minister who introduced it. I think the hon. member for Port Arthur (Mr. Fisher) echoed a feeling which must be widespread in the house when he said there had not been sufficient explanation of this desire for change in the method of obtaining information.

The first question which occurs to me is: Do we still want the information which the government desired to acquire when this act was passed in 1962. I should also like to know whether we got that information or not. Has any use been made of it? Was that information of any help to the government in formulating its present policies? I think it is a good idea for us to recall that there was a good deal of debate in the house when this legislation was first considered. Many arguments were advanced to show why this information could not be obtained from ordinary income tax returns. Some of the dangers of such a course were pointed out, and I do not think the government has answered the valid arguments, which at that time were accepted substantially by everyone, in favour of this special method of getting certain information which the government desired to have from these companies.

At that time there was perhaps more immediate concern about the domination of Canadian companies by United States enter-

prises. We were perhaps more urgently aware of balance of payments difficulties. Certain union questions were also more pressing and urgent than they are today. But I would feel much happier if the government would now take a stand and tell us why they want to change this bill which was passed in 1962. Possibly the government will tell us that they are no longer worried about United States domination of Canadian companies. Has the situation changed to such an extent that Canadians are now putting up the degree of finance we should all like to see? Has the percentage of foreign ownership and control of our companies declined to such an extent that this is no longer a question which need make us uneasy?

I do not think any member of this house would deny that the underlying reason for bringing in this legislation was concern over the degree of foreign ownership and control of Canadian companies. There was a feeling among members of the government, shared throughout the country, that the excessive domination of our companies by firms abroad was not healthy for Canada. There had been instances of Canadian companies owned by United States companies showing little enthusiasm for taking up opportunities to export to communist dominated nations. Again, certain Canadian companies in a position to compete in markets overseas were being held up because their parent companies preferred to see United States firms dominating exports to those areas. But today we have not heard one word from the government that this situation has changed in any respect.

No one argues that merely getting this information will cure a situation of the kind I have outlined. But the essence of the reason for passing this act in 1962 was that before these problems could be adequately dealt with and before the public could exercise proper judgment as to the seriousness of the situation, complete information had to be acquired. It was argued, successfully, that in order to acquire this information specific targets had to be set out and specific questions answered so as to provide details which would bear little relation to those given in the income tax returns normally filed by these companies. I think the government owes the house an explanation why this principle has been abandoned. What is this sense of well being, this sense of security, which has brought about a change in the government's attitude? Does the government no longer care whether our companies are under foreign control, or is the situation no longer what it was two or three years ago? Is there some dark reason behind this change? Has the government been approached by representatives of foreign dominated companies who say: "This is too embarrassing. If you want our continued good will you must let us off the hook"?

I suggest these proposed amendments do constitute a fundamental change in philosophy. This being so, the government should be prepared to tell us why it has changed its attitude. What has disappeared from the picture? Why is the question of foreign control no longer of interest? I think the government should also tell us something about the way in which this act has worked during the last two years, roughly.

Is it a situation where certain people charged with the statistical compilation of this information, those people who received these returns and were supposed to put them in a form that would be useful to the government and to the public, have failed to put the information in this form? Was there any lack of enthusiasm in some of these departments to compile this sort of information? Has it just been allowed to sit and gather dust, as is usually the case with so much information collected by the government? If it has been adequately handled, and if the respective civil servants in those departments have had put into their hands the type of information that the government thought necessary in 1962, what can the government now tell us with regard to what has been revealed by that information? What does it amount to? What is the position of foreign control and foreign domination now? What are the long term trends in this respect? Is there any substantial increase in investment by Canadian workers and shareholders?

Next, Mr. Speaker, if that information has been correlated and put into the form in which it was envisaged it would be used, what help has it been? Has it had any influence on government thinking? Has it had any influence on the methods this government might be working on to induce Canadians to invest more in Canadian companies? I submit, Mr. Speaker, that these are very simple questions and deserve answers. Certainly the hon. member for Port Arthur revealed the lack of knowledge that lay behind his own bewilderment with regard to this legislation. If we are going to make a change that is so fundamental, with regard to a question decided only two years ago by this whole house, and which was accepted as sensible and necessary at that time, what are the logical reasons for making that change?

Surely this is not too much to ask the minister.

I do not want to go over the ground covered by some other hon. members, but I thought the hon. member for Simcoe North (Mr. Smith) had a good point when he asked, why not send it to a committee? That suggestion was echoed by the hon. member for Port Arthur. The Senate thought it necessary. If I am correct in my assertion that this is really a very fundamental change in policy, it might not hurt at all if the banking and commerce committee of this house took a long, searching look at it. Perhaps the explanation the minister would like to give, or the information revealed by those statistics already filed, is so complicated and of such a nature that it is impracticable for the minister to attempt at this time to give us a breakdown which we can examine. Perhaps it has not been refined enough that it can be presented in any simple manner to this house. Certainly if that is the case I think this is the sort of function for which a committee of this house is designed. That is exactly what the committee can do. Present that information to the committee, let them study it, refine it and see whether it has been helpful. I suggest that any change now of what was thought so logical, when there is no evidence presented that it has been unsuccessful or unnecessary, warrants an explanation being given to the house. There has not even been a suggestion by the minister that it is not still needed. The present action is substantiated by no logical argument that I can think of.

Certainly if you are going to test a method and see whether it works, you have to present some evidence if you want to change it. You must show that you have tried it, that you have tested it, and you must put forward some evidence that it does not work. Perhaps the method of collecting the information that was originally envisaged in this act is the best. If it is not, this house, or at least a committee of the house, has a right to look into the matter before we are asked to change that method. We have the right to look at the efforts that were made to compile this information, to assess it, and to look at the results achieved to see what has been accomplished. I suggest to the minister that until that old method—I say "old", although it is only two years old—can by any of these time tested methods be proven to be wrong, he has no logical reason for asking us to change it now.

[Mr. Nugent.]

I listened to the hon. member for Simcoe North and his suggestion that this is an extension of the powers of looking at income tax returns. I think it is more than that. There was a distinction under the old method which will not apply now. This only applied to large corporations with assets of $500,000 or so, which were required to make these special returns. However, Mr. Speaker, unless I have overlooked something, the income tax department will now have the right to look at the returns of all companies.

Since, in the absence of words from the minister to the contrary, we can imagine that the people in the bureau of vital statistics who are going to look at these returns are going to be looking for the same things, I imagine there will be pressure from that bureau on the income tax branch to amend the income tax return form so that it will give more complete information. I do not think this is exaggeration in any sense. It is going to subject more companies, smaller companies, to the searching glance of the statisticians; but it will also cause pressure to be brought to bear on the income tax department to amend their returns in a manner that will satisfy the needs of the bureau of statistics and the government for further information.

My memory may be faulty, but it seems to me these were exactly the arguments we used in 1962—that since the purposes were not the same, and since there was really a very narrow purpose behind the returns required, we would be most unwise to upset the income tax department, their method of reporting and their need for secrecy, by mixing in the special request of the government for special statistics affecting the general health of the nation in regard to the question of foreign domination and control. I for one will be very happy if the minister can show that my memory is very faulty in this regard, or if he can reveal sufficient evidence to show this house that the method of collecting information which we set up only two years ago has fallen down completely, or that the government has fallen down completely in the various departments in making use of this information, or that conditions in the country are such that any information on foreign ownership, control and domination of Canadian companies is no longer of concern. I hope that if the minister's reply on this matter is necessarily a long and involved one, he will take the easy course of sending it to a committee, where we will be prepared to examine it at leisure and with an open mind, hoping to be convinced.

Mr. Aiken: Mr. Speaker, perhaps I might be permitted to rise on a question of privilege in order to make a correction. This should be done at this point. In my remarks, when referring to the information which might be given by the dominion statistician to "any other person", I took these words from subsection 5 of section 14 of the present act. I overlooked the fact that if the bill is passed this subsection is to be repealed. Therefore, Mr. Speaker, to that extent the assertion that the information could be given out to any other person was incorrect. This does not change my view, but I carried the point a little too far.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in speaking to this bill to amend the Corporations and Labour Unions Returns Act I think I can be brief. I was impressed by the last speaker, the hon. member for Edmonton-Strathcona (Mr. Nugent) and also by the hon. member for Port Arthur (Mr. Fisher) both of whom suggested that this bill be referred to the standing committee on banking and commerce, a committee of parliament. Perhaps the question being asked by most speakers is, why the amendment at all? I do not think the minister has clarified why there should be an amendment. It is obvious that the minister does not want one: It is the officials—I have always felt this—who are behind the minister, whether he be a Conservative minister or a Liberal minister, who are not satisfied with the material they are getting either from labour unions or corporations. Therefore they want the act amended so they can get this information they are looking for.

The second point which impresses me, a point referred to by one of the speakers, is that when we open up the gate to a department, in this case the Department of National Revenue, we are opening up a new field of law—and a very dangerous field of law, when we go into income tax returns. Because the minister has not explained to the house why he requires this particular fork to be put into the act to dig up the proper information, and because he has not explained why he needs to go into a new field and enable another department to go into income tax returns—which is, I suggest, a very dangerous trend, the end of which we will never know —I am myself unhappy about this bill.

All who have spoken so far have agreed that in order to find out who has control of our labour unions or corporations this information should be provided; there is no argument there. I need only refer to what was said by the hon. member for Port Arthur regarding the S.I.U.; we know the kind of control which was held in that case. I suppose I could also name corporations on the other side of the fence which would be just as interesting factually as was the S.I.U. Therefore I am going to move—and I said I would be short—on those two counts, and because I have been impressed by what these hon. members have said, seconded by the hon. member for Parry Sound-Muskoka (Mr. Aiken):

That the bill be not now read a second time but that the contents thereof be referred to the standing committee on banking and commerce.

Mr. MacEachen: Mr. Speaker, I wish to raise a point of order on this amendment. I understand that on second reading of a bill it is inadmissible to move that a bill itself go to a standing committee. The wording of the amendment obviously means that it is the bill itself that is to be sent to the committee because it refers to the "contents" of the bill. The standard form for moving such an amendment is to refer the subject matter, which is entirely different. I suggest that this amendment is not in order.

Mr. Deputy Speaker: Do other hon. members wish to speak to the point of order raised by the Minister of Labour?

Mr. Aiken: I have just one point, Mr. Speaker. I think this is the form in which a good many private members' bills have been sent to committee during private members' hours. Unless there is a difference in the form of the amendment it is certainly the same intent, and this form has been used many times in this session.

Mr. Deputy Speaker: If there are no other contributions to the discussion on the point of order, may I say I appreciate the point raised by the Minister of Labour (Mr. MacEachen). He states that referring the contents of a bill to a committee is different from referring the subject matter of a bill to a committee. This, to my mind, is perhaps technical more than anything else. Perhaps the hon. member who put the motion might be allowed by the house to amend the wording of his amendment so as to read:

That this bill be not now read a second time but that the subject matter thereof be referred to the standing committee on banking and commerce.

Is that agreed?

Some hon. Members: Agreed.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, may I speak to

this motion and in the course of my remarks answer some of the questions raised on the bill, which might induce the house to permit it to receive second reading. As was said by the hon. member for Port Arthur (Mr. Fisher), this bill was introduced with considerable fanfare by the previous government. The hon. member quoted from the speech of the former minister of justice, the Hon. Davie Fulton, in which some, what I now consider rather extravagant claims were made about what might be accomplished pursuant to this legislation. However, to answer the questions raised by the hon. member and by a number of other hon. members it is my view that this is very useful legislation. I think that what was claimed for it was extravagant, but I feel it would still be useful to continue to have the act on the statute books and to continue to gather the information authorized by the act. In any event, the claims which were made must have been extravagant because one can do very little with the information itself. If we are going to deal with the substance of this matter we must do so by policy rather than by the gathering of information.

May I now say that I did not give a report on what had happened under this bill, and the reason is very simple and really relates to the purpose of the amendments. We had very great difficulty in gathering this information for the year 1962. There was unfamiliarity with the act itself, which is understandable, and it took—

Mr. Woolliams: I wonder whether the minister would mind a question at this point. I do not say this in any critical way, but I was advised by lawyers in the city of Calgary that the forms for the gathering of this information never reached the corporations. When they applied to the various offices to obtain the forms, they were not ready or prepared and the corporations could not fill them out. I wrote to the minister's department, or to one department about this, but that was one of the main reasons why that information was not forthcoming.

Mr. Sharp: Mr. Speaker, all I can say in reply to that is that I was asked during the last session of parliament whether all the corporations had at that time made out the returns they were required to make. I said that they had been asked to make a return for which the forms were submitted, but that at that time quite a number of corporations were in arrears. It may be that at the beginning the forms were not available as quickly as they might have been, and I think that is understandable. This act was a new act, and so on. But in the end when the forms were available there was considerable difficulty in getting them completed. However I am happy to say that we now have all the returns in for the fiscal year ending in 1962, which was the first report required by the act. In addition, most returns have been received from corporations and unions for the fiscal period ending 1963, and many have been received for the period ending 1964, so we are making progress. The statistical material received from corporations and labour unions is currently being processed and it is expected that the first report under this legislation will be available for parliament before the end of the current calendar year.

The first report will provide information concerning the extent of non-resident ownership in Canadian companies in respect of assets, equity, sales and profits, and in addition the magnitude and detail of payments to non-residents by corporations in Canada for business services, and to international headquarters of unions operating in Canada in respect of dues and assessment on Canadian members will be made available.

The reason I could not give a report on what had happened under the act was simply that we are in the process of tabulating and analysing the first returns. Otherwise I would have been in a position to say, this is what we have learned as a result of the operation of the act.

I come now to the point about confidentiality of information. The first question asked of me by the hon. member Edmonton West (Mr. Lambert) related to the similarity that exists between information required during this act and information required under the Income Tax Act. During the supper hour I obtained from my officials a copy of the corporation income tax return, and I asked them to indicate on that return the items which we now asked for and obtained under the act, to which I shall refer in short form as COLUR, because that is what it is known as around the bureau of statistics. It is the corporations and labour unions return. The dominion statistician now obtains the same information as is tabled on the corporation income tax return in respect of any foreign items of allocation of taxable income to provinces or other jurisdictions in which permanent establishments were maintained, calculation of federal taxes payable, and calculation of provincial taxes payable, information on continuity of all reserves in-

cluding provisions for doubtful debts, charitable donations, interest, rents, royalties and other similar things, including provincial taxes. That information is not strictly required for the purpose of the act that is now under discussion, but we do obtain all the information about the income of the corporation and its reconciliation of net income with all the accompanying financial statements. In fact, we obtain all the vital information now about the financial positions of every corporation that has to report under this act.

Mr. Woolliams: May I ask the minister a simple question? I put this to the hon. minister. If that is correct, why do you still want to amend the act? You must want to do so because you are not getting the proper information or because you do not want to have a duplication of information going to two different departments.

Mr. Sharp: I think the hon. member has finally seen the point. As I said in my opening statement, many corporations suggested to us when we asked for information under this act that they had already filed the information with the Department of National Revenue, and wanted to know why we needed the information again.

In answer to a question put to me at the end of my opening statement I did say that no corporation had specifically said it would like the dominion statistician to have access to the income tax returns, but on checking with my officials I am told that while that was not true, many of the corporations had indicated by implication that they would like that to happen because they had already filed this information and did not want to have to file it again.

I should like to make this point quite clear. Under this act in respect of corporations that have filed returns, the dominion statistician now obtains all the essential information available in the income tax return. That information is required by an act that was approved by this house a couple of years ago. There is nothing new in this legislation. The whole purpose of the amendments is to simplify the administration, and that only.

There is one other point I am surprised some hon. members have not emphasized to a greater degree, and that is that the information now obtained under this act is available to anyone in government. However, when this amendment is approved the distribution of that information will be restricted. It is now available to the dominion statistician only for the purpose of analysis. That is the main point of this legislation; that is the purpose and that is what happens.

Mr. Lambert: What about all the other thousands of corporations not now required to report under COLURA, as you wish to call it, but whose records will now be examined as a result of this proposed amendment?

Mr. Sharp: That is a point, Mr. Speaker; but the penalties for disclosure of any information of that kind are just as serious if the disclosure is made by the dominion statistician or his employees as they would be if the disclosure was made by the Department of National Revenue. At the present time the dominion statistician obtains this information from the larger corporations, and he and his employees are under threat of penalty if they reveal any of that information. This legislation does enable him to get other information at the same time he obtains the information in respect of these specific corporations, so that his statistical analysis is somewhat more complete, but there is no right on the part of the dominion statistician to reveal that information to anyone, not even to someone in government service outside the bureau of statistics.

Mr. Fisher: I should like to ask the minister one question, Mr. Speaker. When the minister was speaking to the Couchiching conference by radio he emphasized the point that it was very difficult for anyone, including members of parliament, particularly members of the opposition, to be in touch with this information, but I assume the dominion statistician is going to be in possession of this information which is covered under clause 4, subclause (b), and that it is going to be available to the government. Is that not true?

Mr. Sharp: That information is not going to be available except in analysis form. It is not going to a be availaible to people in the government. They will not be able to look at particular returns of particular corporations.

Mr. Fisher: Mr. Speaker, I do not wish to go into detail, but the present subsection says:

> Any official or authorized person may, for any purpose relating to the determination of policy in connection with the formulation of any law of Canada or the ascertainment of any matter necessarily incidental thereto,
>
> (a) communicate or allow to be communicated—

I do not see anything in the amendment that substantially changes that right.

The other point I wished to touch upon in relation to this legislation relates to the indi-

cation given by the minister about this statistical information. I should like to know whether as a result of the changes in practice this legislation will cover those companies that are now exempted by this schedule. The minister knows that the schedule exempts small loan companies. What will happen in respect of Household Finance Corporation, and I could name several others? I assume that if the idea is to ascertain trends, it is important that all corporations be included, and that has not been clearly stated by the minister. I assume that if the dominion statistician has access to the files he is going to go into the records filed with the Department of National Revenue, and they embrace all corporations, wiping out the previous exemptions covered by the schedule.

Mr. Sharp: Mr. Speaker, may I first correct the hon. member, as the hon. member for Parry Sound-Muskoka corrected himself. Under clause 3 the amending bill removes subsection 5 of section 14 which the hon. member has just read.

Mr. Fisher: Then why bother to have the act?

Mr. Sharp: The purpose of the act is to obtain information about the extent of foreign ownership and its importance, and this is fully maintained by these amendments. Indeed, the first part of the act which is not amended at all, section A returns which are set our more particularly if you will look at the act, is not altered in any respect except for some filing dates. With regard to part B or section B, returns which relate to financial information, the only change is that the information is now obtained from income tax returns as far as corporations are concerned. That is the only change, except to restrict the access of government officials to the individual returns. That is why I made so little of this bill. It is a very simple amendment designed only to simplify administration.

Mr. Aiken: I wonder whether I might ask the minister a question along the same lines. Has the minister information as to how large a percentage of the corporations which file income tax returns are required to file the special return? I think this is the essence of the question also raised by the hon. member for Port Arthur. How many additional corporations are brought under the operation of this act?

Mr. Sharp: Mr. Speaker, if we do go into committee of the whole I will have my officials in front of me and these questions can be answered there or in any other committee.

[Mr. Fisher.]

Mr. Woolliams: I do not want to interrupt the minister but I should like him to answer one other question. If we were to withdraw our amendment this might expedite the matter and save the bill—we are not trying to block it—and in that event would the minister undertake to send the bill to a committee so that witnesses can be called and so that the information members have asked for can be supplied and the questions they have raised can be answered in the standing committee? If he would agree to do that I think the mover and seconder of the amendment would agree to withdraw it, because if we could get the bill before a committee we would be satisfied.

Mr. Sharp: I would be very happy to do that. I had thought that perhaps it would have served the purposes of the house better if that examination had taken place with the first report under this act available. But if hon. members feel they would like to examine these amendments more carefully and to have witnesses called I would certainly have no objection. I would be very happy to comply with the hon. gentleman's suggestion, and instead of going into committee of the whole move that we should refer the bill to the standing committee on banking and commerce.

Mr. Aiken: Mr. Speaker, as the seconder of the amendment I am prepared to withdraw it but I still cannot change my position on the bill. I will have to vote against it. I should like this understood.

Mr. Nugent: Mr. Speaker, I was about to ask the minister a question but if we are speaking to the amendment I should like to say something. However, in view of the interventions by hon. members I am not sure if the minister still has the floor.

Mr. Deputy Speaker: Order. I believe the minister has concluded his remarks and my understanding is that the hon. member for Edmonton-Strathcona is now speaking to the amendment.

Mr. Nugent: Then instead of just asking a question—

Mr. Favreau: On a point of order, Mr. Speaker, I understand that the hon. member for Bow River is asking for leave to withdraw his amendment and I wonder whether

you would ask if he has the consent of the house.

Mr. Deputy Speaker: Has the hon. member for Bow River unanimous consent of the house to withdraw his amendment?

Mr. Woolliams: Before that is put I want to make sure I understood the minister correctly. My understanding is that the bill will go to the standing committee on banking and commerce.

Mr. Sharp: I have no objection at all and I will be happy to so move.

Mr. Favreau: After second reading.

Mr. Deputy Speaker: Has the hon. member for Bow River unanimous consent of the house to withdraw the amendment?

Some hon. Members: Agreed.

Amendment (Mr. Woolliams) withdrawn.

Mr. Deputy Speaker: Is it the pleasure of the house to adopt the motion?

Mr. Aiken: I want it recorded as being on division.

Mr. Deputy Speaker: On division.

Motion agreed to, bill read the second time on division and referred to the standing committee on banking and commerce.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

Hon. Guy Favreau (for the Minister of Agriculture) moved the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, with regard to the introduction of this bill—does the parliamentary secretary wish to speak at this time?

Mr. Deputy Speaker: The parliamentary secretary to the Minister of Agriculture.

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, in the absence of the minister, who is out of the country on government business, I wish to make a statement on second reading of this bill. The minister appreciated the constructive criticism and remarks of members of the house, the concern they expressed with regard to the bill and the interest they have taken in it. I ask the indulgence of the house to permit me to stick to my script because I wish to be rather precise, since I am speaking for the minister.

A number of questions were asked concerning the proposals which would be contained in the bill and how this proposed credit program would operate. An examination of the bill itself will provide the answer to most of these questions.

The government has been concerned, and hon. members have indicated their concern, about the cost to Canadian farmers of owning and operating farm machinery. As an indication of the size of this problem I should like to point out that at the time of the 1961 census the value of farm machinery on farms in Canada amounted to more than $2½ billion. During 1963 the cost to Canadian farmers for owning and operating their machinery amounted to about $541 million and more than half of these costs were represented by the cost of ownership, including depreciation and interest on investment. When we consider ways of increasing the farmer's income I am sure we are all thinking of his net income. Anything which we can do to reduce the farmer's operating costs is in effect a move to improve his income.

As the minister indicated in his remarks at the resolution stage, the co-operative use of farm machinery is already practised among Canadian farmers by sharing in the ownership of individual machines or by having work done on a custom basis.

Two factors have made more extensive co-operative use of machinery difficult. The first has been the need for the determination and establishment of a simple and workable basis for the organization of co-operative groups of farmers. The second has been the lack of adequate credit facilities to enable such groups to operate. The purpose of this bill is to assist in overcoming these two problems and, in this manner, to encourage joint ownership by groups of farmers of these types of machinery and equipment, the use of which may be shared in order to reduce the overhead costs of each farmer.

For this reason, the bill proposes to set up what has been termed syndicates. The syndicates in effect will be groups of three or more persons engaged in farming who have entered into a form of partnership agreement with one another to undertake the joint purchase and use of farm machinery. The bill is designed to assist those whose principal occupation is farming. However, because of location and other factors, it may be very much to the advantage of some full-time farmers to include in their syndicate neigh-

bours who are farming but also engaged in other pursuits. The bill provides for this kind of co-operation, but to assure that full time farmers are the chief beneficiaries at least the majority of members of any syndicate must be persons whose main occupation is farming.

There has been some question of the choice of the word "syndicate" to identify these groups. A syndicate by definition means a combination of persons formed for the promotion of an enterprise. There are, of course, other terms which might have been used, and in fact were considered. Some speakers have suggested the word "co-operative". This word was considered, but there is now legislation in practically every province for the formal incorporation of co-operatives, and we did not think it wise to use a term which might seem to conflict with provincial jurisdiction.

The word "syndicate" is an appropriate one to define a combination of persons formed to promote an enterprise or for the acquisition of articles. In fact the use of the word "syndicates" for this purpose is by no means new in Canada. In the early days of the west the term "syndicate" was widely used to describe groups of farmers who joined together for the purchase of machinery.

Several members pointed out, quite properly, that some items of farm machinery lend themselves to joint ownership and use, but there are other items which a farmer has to own himself if he is to be sure of having them available when he needs them most.

There will be authority in the bill to define farm machinery by regulation. We thought it best to do it in this way because we are entering into a completely new venture in which we will have to profit by experience, and in which some changes may be required as we gain experience. The intention, however, would be to define farm machinery very broadly, so that the bill might apply to any item of machinery which a farmer might use in the development or operation of his farm, and leave it to the groups as they are organized to decide the items which they feel could profitably be owned and used jointly.

The bill proposes loans up to 80 per cent of the cost to the syndicate of the machinery which they buy. The remaining 20 per cent of the cost, spread between the various members of the syndicate, will allow individuals to become members with a relatively small initial contribution. The maximum amount of loans to any one syndicate would be $15,000 per member, but not to exceed $100,000. These amounts should be sufficient to allow syndicates to share in the purchase of a considerable amount of equipment, including those specialized items of high capital cost which are available for use but which are too expensive for farmers to purchase on an individual basis.

The initial organization of the syndicates is most important for their future success. Farmers wishing to organize to take advantage of the provisions of this bill will require some assistance and guidance in their initial planning. The minister is proposing that the responsibility for the administration of the measure be assigned to the Farm Credit Corporation so that we may make use of the facilities which they have already established across the county and the experience they have gained in administering farm credit.

It is proposed also to make the program self-supporting. One of the principal items of cost will be the initial establishing of the syndicate, the study of its proposal, and the approval of the loan. This is provided for by a service charge of 1 per cent of the amount of the loan. The cost of administering the loan, once it is made, will be provided for in the interest rates which will be fixed from time to time by the corporation with the approval of the governor in council.

Mr. Speaker, there is quite a bit of chattering in the house. I had hoped that this bill would commend itself to the members sufficiently that they may wish to listen to the statement.

In this connection, I should like to point out that since these loans will be for terms not exceeding seven years, the cost of the money to the corporation will be less than the cost of money it borrows for the making of long term loans under the Farm Credit Act. I am informed that within recent years the cost of money borrowed for periods of less than ten years has been about half of 1 per cent less than the cost of money borrowed for periods of up to 20 years.

Since this is a new type of program there will undoubtedly be problems to overcome in its initial operation. The hon. member for Qu'Appelle (Mr. Hamilton) has mentioned in particular the difficulties which may arise when several farmers endeavour to share the use of one particular machine. In drafting the provisions of the bill, and planning for its administration, consideration has been given

to the ways in which these problems can be lessened.

The first essential factor, of course, is the compatibility of the members one with another, and since syndicates will be formed on the initiative of individual farmers who choose their own partners to participate with them I have no doubt that farmers will find partners with whom they can work amicably. Further, in the setting up of the syndicate there will be predetermined arrangements designed to settle in advance some of the problems which may later arise. There will first be some general provisions applicable to all syndicates, including such items as provisions for adding members, for reduction in membership, for the procedure in the event of death or insolvency of a member, and for the voluntary dissolution of the syndicate. There will also be provisions for such items as the appointment of a secretary, the maintenance of proper books of account, and so on.

Farmers forming syndicates will also be required to make arrangements in advance concerning their individual shares and responsibilities with respect to payment of capital maintenance and operating costs, and the responsibilities for operation, repair, maintenance and storage of the machines. They will need to agree concerning the priority of the right to use the machine in the event that two members wish to use it at the same time. By agreeing on this type of thing in advance many of the difficulties of co-operative use will be overcome.

It is appreciated that the provisions of this bill do not apply equally well to all types of machinery and equipment. Syndicates formed to purchase harvesting equipment, for example, where the time at which the farmer has the machine available is of vital importance, will probably contain a relatively limited number of members. It will be important to ensure when the syndicate is being formed that the machinery being purchased has ample capacity to meet the requirements of all the members within the season of use. However, in dealing with such machinery as that used for land clearing, land levelling, drainage, etc., it may be possible to form syndicates with larger numbers of farmers because the time of use of the equipment is not such a vital factor.

I might point out also that a farmer who obtains assistance under this bill would still retain his eligibility for loans under the Farm Improvement Loans Act for equipment he wishes to purchase on his own, as well as for livestock, building improvements, etc.

Hon. members may wish to have some information with respect to this type of operation elsewhere. Syndicates of the type proposed in this bill were started as a pilot project in the United Kingdom in 1955 and developed slowly during the first few years. By 1962, 293 syndicates had been formed. However, as a result of the program's successful operations it has expanded rapidly since that time. In 1963 there were 341 syndicates and by August of this year, 596 syndicates had been formed. Farmers who are members of syndicates who were interviewed concerning their operations indicate that disagreements among syndicate members are rare. They indicated, for example, that the problem of three small farmers deciding upon the order in which a machine should be used by each was not very different from that of a large farmer deciding upon the order in which he would use a machine in his own fields, and the problem was usually resolved after consideration of the same factors as those which influence the decision of the larger farmer. It is interesting to note, also, that some of these syndicates have found it advantageous to share their labour resources as well as their machinery.

It has been suggested that this legislation will be of more value to large operators. On the contrary I believe the advantages of co-operative use are far more significant to the small operator. It may be a perfectly economic proposition for a large farmer to own equipment large and efficient enough to do all his work, while such a proposal might be beyond the means of the small farmer. The opportunity provided to a syndicate to acquire machinery, with an initial payment of 20 per cent of the cost spread among three, four or five members will make it possible for small farmers with limited capital resources to share in the ownership of efficient machinery for operating their land with low individual investment and overhead.

As I have already indicated, this bill is a new departure to meet a new and expanding need for credit and co-operation among farmers. It is designed to assist them to reduce their machinery costs. It proposes a fund of $25 million to meet the initial demand. I have no doubt that after the act is in full operation experience will indicate some changes and modifications and perhaps the need for a larger fund. In this event, amendments will be introduced to make such improvements. But I believe we have in this present bill all the fundamentals of a practical program which will offer very real assistance to Canadian

farmers in controlling an important part of their costs and increasing their efficiency. I believe that farmers themselves will quickly recognize the advantages of this program.

BUSINESS OF THE HOUSE

Mr. Flemming (Victoria-Carleton): May I ask the leader of the house what will be the business tomorrow?

Mr. Favreau: We shall first carry on with the debate on second reading of Bill No. C-121 to provide for the extension of credit to farm machinery syndicates. When we are through with the committee stage, we shall proceed with item No. 49 on the order paper and continue the debate on the resolution stage of the bill to amend the Crop Insurance Act. That will be followed by item No. 7 on the order paper, the resolution preceding the measure to amend the Merchant Seamen Compensation Act. This will be followed by the continuation of the committee stage of Bill No. C-72 to provide for the establishment of electoral boundaries commissions.

It being eight minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, September 22, 1964

The house met at 2.30 p.m.

HOUSE OF COMMONS

CORRECTION OF ERROR IN REPORT OF INTERNAL ECONOMY COMMISSION

Mr. Speaker: May I be permitted to correct a clerical error which appears in the extract from the minutes of a meeting of the commissioners of internal economy held on Monday, September 14, 1964, concerning salary revisions for employees of the House of Commons in certain classifications, tabled in the house on Friday, September 18, 1964.

On page 3 of the said extract, as well as on page 702 of *Votes and Proceedings* of that date, under the classification "Chief of personnel" the words "Retroactive from October 1, 1963 to May 11, 1964, inclusive" should read "Retroactive from October 1, 1963, to June 30, 1964, inclusive".

CANADIAN FLAG

CONCURRENCE IN THIRD REPORT OF SPECIAL COMMITTEE

Mr. H. M. Batten (Humber-St. George's) presented the third report of the special committee on a Canadian flag, and moved that the report be concurred in.

Motion agreed to.

VETERANS AFFAIRS

REFERENCE OF DEPARTMENTAL ESTIMATES TO STANDING COMMITTEE

Hon. Guy Favreau (Minister of Justice) moved:

That the items listed in the main estimates and the supplementary estimates (A) for 1964-65, relating to the Department of Veterans Affairs, presented to this house at the present session, be withdrawn from the committee of supply and be referred to the standing committee on veterans affairs, saving always the power of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

UNITED NATIONS

CANADIAN POSITION ON ADMISSION OF COMMUNIST CHINA

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct a question to the Prime Minister and ask him whether, when he met recently with the President of the United States, the question was discussed as to the recognition of communist China or a seat for communist China in the security council?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I answered this question I think at the end of last week. My answer then, which I am glad to be able to repeat now, was that this matter did not come up in our conversations.

Mr. Diefenbaker: Would the Prime Minister say, in view of the discussions that are apparently taking place in this connection, referred to by the Secretary of State for External Affairs, whether there has been any consultation with the Chiang Kai-shek government or any representative of that government regarding the position of Taiwan in the event that recognition takes place?

Mr. Pearson: No, Mr. Speaker. There have been general discussions I think within the last two or three months with the governments concerned, including the government of China on Taiwan. The position of this government on that particular aspect of the problem has been stated very clearly, that any recognition of the government of Peking would have to be related to the views of the inhabitants of Taiwan as to whether or not they wish to be included in that recognition.

Mr. Diefenbaker: Mr. Speaker, has it also been made clear to the Chiang Kai-shek government that whatever measures take place, including recognition, every protection will be given to the people of Taiwan who have stood with us in freedom for so many years?

Mr. Pearson: I have just said, Mr. Speaker, and I repeat in a different way, that it is

not the policy of the government to do anything which would compel the people of Taiwan to accept the jurisdiction of a communist government in continental China without their own consent.

Mr. Diefenbaker: And to assure the people of Taiwan that their integrity will be protected against the hundreds of millions in communist China?

Mr. Pearson: I think it would be a little difficult, Mr. Speaker, for the government of Canada on its own to give an assurance to the government of Taiwan that the integrity of that island would be protected. It would undoubtedly have the protection under the United Nations charter which would be given to all countries that are the victims of aggression.

NATIONAL DEFENCE

NORAD—POSSIBILITY OF AGREEMENT NOT BEING RENEWED

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister if his attention has been drawn to a story in the press which indicates a distinct possibility that the NORAD agreement will not be renewed unless Canada is prepared to contribute to a costly space program. Could I ask the Prime Minister, first, if Canada is being asked to contribute to such a space defence program and, second, whether Canada is contemplating the likelihood of not renewing the present agreement when it expires?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the answer to the first part of the question is no, and the second part of the question does not arise. The position of the government on that matter has been made very clear by the Minister of National Defence and others.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs, and it concerns the situation in Cyprus. In view of the fact that our Canadian peace keeping troops are being subjected to a new secret weapon of aggression, being sticks and stones in the hands of female patriots on that island, can the minister report what action has been taken, what decision has been made as far as the general situation on the island is concerned, and what progress has been made at the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, General Thimayya has taken the matter up with the Turkish community, with the vice president in particular I think, and I suspect that the matter will be resolved satisfactorily.

Mr. Thompson: A supplementary question, Mr. Speaker. In my question I also referred to the fact that the house would like to know more about what has developed in relation to negotiations with regard to the Cyprus situation.

Mr. Martin (Essex East): Mr. Speaker, as to the situation on the island itself, there has been a rather satisfactory state of peace for the last 10 days. The question of the renewal of the mandate of the force is now before the security council, which met on this question last Thursday and Friday. They met again this morning, and they are meeting this afternoon. As soon as the security council has made its decision the government of Canada will then be in a position to give consideration to the course which it proposes to follow.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Is Canada imposing any conditions with respect to agreeing to continue the Canadian force in Cyprus for a further period of time? Is Canada asking for any extension of the terms of reference or any change in the status of the agreement between the United Nations and the government of Cyprus, particularly with reference to freedom of access, freedom of movement and the right to disarm guerrillas?

Mr. Martin (Essex East): Mr. Speaker, I would not want to put the matter exactly in the way my hon. friend has done when he asks, have we imposed a condition. We have urged upon the secretary general the view that the powers of the force should be clearly and unequivocally established. Following the representations which Canada and other countries have made, the secretary general in his report has laid down three conditions that embrace the area of desired action which the hon. gentleman has incorporated in his

question. This is now the subject matter of discussion in the security council.

[*Later:*]

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to address a question to the Minister of National Defence. Could the minister say what is the state of the plans for the rotation of Canadian troops now in Cyprus, in the event that Canadian troops there will be required there for a further period?

Hon. Paul Hellyer (Minister of National Defence): Yes, plans for rotation are complete. An advance party has already left, as I indicated to the house a few days ago, and the Department of National Defence is in a position to act as soon as a decision is taken.

Mr. T. C. Douglas (Burnaby-Coquitlam): Some weeks ago I asked the minister if he was giving any consideration to provision of additional pay for the Canadian force in Cyprus in line with what has been done by the Swedish, Brazilian and other governments. At that time the hon. gentleman promised the matter would be considered by himself and the officials of his department. Is he now in a position to announce any decision with regard to pay and allowances for troops in Cyprus?

Mr. Hellyer: No positive decision has been taken, Mr. Speaker.

REQUEST BY CALVIN MACDONALD FOR POLITICAL ASYLUM IN U.S.

On the orders of the day:

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, last Thursday, September 17, the hon. member for Vancouver East directed an inquiry to me concerning Mr. Calvin Macdonald, who is alleged to have made an application for permanent admission to the United States. I understood at the time that my department was not involved in this matter, but I wanted to see first whether any related matter would fall within my jurisdiction. Such an application would be strictly between the applicant and the United States authorities. The Canadian immigration service would not become involved in such an application in any way; consequently the Department of Citizenship and Immigration would have no information concerning this case.

SOUTH VIET NAM—REQUEST FOR STATEMENT ON PRESENT SITUATION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Secretary of State for External Affairs. Does the present Khanh regime in South Viet Nam, which I believe is the second or third such regime we have recognized within the last few months, retain the confidence of this government; or in light of continuing turmoil there does it not seem clear that a reappraisal of our relationships in this respect is necessary?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman gave me notice of his intention to ask this question. I should say that, where there is no special consideration, the practice followed by Canada is to deal with the government that is in control. It is not for a Canadian government to decide whether any particular government is the right one for a country to have.

The situation in South Viet Nam, does of course, give concern. I hope that the continuing efforts of General Khanh to bring stability to his troubled country through the creation of a broadly based and popularly supported government will be successful. There will be an opportunity tomorrow for the Prime Minister, myself and other members of the government to exchange views on the general situation in Viet Nam with Ambassador Cabot Lodge.

While I am on my feet I should like to say that some time ago the government of Canada decided to increase the level of its economic and technical assistance to South Viet Nam.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Has the minister any report from the Canadian representative on the international truce commission regarding recent happenings in the bay of Tonkin, and can he give the house either today or tomorrow some authoritative information as to what actually took place?

Mr. Martin (Essex East): Mr. Speaker, when I was in Tokyo a few days ago I asked our representative on the international control commission in Viet Nam to come and report to us, as he did. I have nothing to add at this point.

Inquiries of the Ministry

APPOINTMENT OF RUSSIAN PROFESSOR AT UNIVERSITY OF SASKATCHEWAN

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. I have not had an opportunity to give him notice, so he may want to take it as notice. I have been informed that with the full approval of the Secretary of State for External Affairs one Professor Nicolaev of the department of economics of the University of Moscow has been appointed to the staff of the economics department of the University of Saskatchewan, Regina campus, for a period of one year.

I should like to ask the minister on what basis this man has been admitted to Canada for this purpose. Is it on the basis of some exchange program whereby a Canadian professor is going to a university in Russia? Can the minister inform the house what is the basis of the admission of this professor into Canada and to this campus for this purpose?

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

Mr. More: Mr. Speaker, I think this question involves a very pertinent point. My information is that this is being done with the full consent of the Secretary of State for External Affairs. Surely he can give a short answer so we can be informed.

Mr. Speaker: The purpose of questions at this time is to deal with urgent matters that require an immediate answer. The minister may or may not be in a position to answer correctly on the spot. Therefore I suggested that the question be put on the order paper in order to get a full and complete answer, rather than a possibly half informed answer.

Mr. More: With due deference, Mr. Speaker, I suggested that the minister might take the question as notice. I think the question is urgent, in that it perhaps has to do with national security. I think we want to be informed. If I have to put the question on the order paper I will do so, but I give notice to debate the question at ten o'clock.

UNEMPLOYMENT INSURANCE

MONTREAL—BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could he intervene, in the case of the employees of the newspaper *La Presse* of Montreal, in order that the appeal to the board of referees be heard before September 30, and even this week, in view of the urgency of an immediate solution of that problem for the many employees of *La Presse* and in view of the fact that the matter was settled much more quickly in the case of the newspaper employees in Toronto?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I shall be glad to investigate to see if there is any way by which this hearing can be held at an earlier date.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker. Does the minister also intend to recommend that payment of benefits be made retroactive to the beginning of June, that is to the time when the strike started?

[*Text*]

Mr. MacEachen: There is no way by which the Minister of Labour can make recommendations on this matter, because under the law the determination of the qualifying date in the first place is a matter for the insurance officer, then for the board of referees and ultimately for the umpire if that final step is taken.

HARBOURS

MONTREAL—POSSIBLE TRANSFER TO PROVINCIAL JURISDICTION

On the orders of the day:

Mr. Heber E. Smith (Simcoe North): I should like to ask the Minister of Transport whether there have been any communications or conversations between the federal government and the provincial government of Quebec, the city of Montreal, the municipal port council or any other local body with a view to transferring the national harbours board facilities in Montreal to the provincial or municipal authorities.

Hon. J. W. Pickersgill (Minister of Transport): If the harbour facilities generally are the subject of the hon. member's question, the answer is in a very strong negative.

Mr. Thomas M. Bell (Saint John-Albert): May I ask a supplementary question. Will the minister give every assurance that the position of the ports of Saint John and Halifax, and now St. John's, Newfoundland, will be protected, inasmuch as they are in competition with Montreal, should any of these

moves mentioned in the newspapers take place?

Mr. Pickersgill: I think there seems to be a very great misapprehension. There has been no thought, and never has been any thought to my knowledge, that any ports now administered by the national harbours board would not continue to be administered by that board.

SYDNEY, N.S.—REQUEST FOR ADMINISTRATION BY NATIONAL BOARD

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport. May I ask the minister if he can advise the house whether he and the government will give consideration to the recent suggestion that the port of what we like to call greater Sydney will be brought under the administration and jurisdiction of the national harbours board?

Hon. J. W. Pickersgill (Minister of Transport): That is a very large matter of policy, sir, on which I could not very well give an answer on the orders of the day.

COMMONWEALTH RELATIONS

TANGANYIKA AND ZANZIBAR—REQUEST FOR MILITARY ASSISTANCE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to address a question to the Secretary of State for External Affairs. Has the government of Canada received any request from the united republic of Tanganyika and Zanzibar, as a member of the commonwealth, for military assistance? If so, what is the nature of the response the government proposes to make to such request?

Hon. Paul Martin (Secretary of State for External Affairs): I thank my hon. friend for giving me notice of his intention to ask this question. In reply I would say that over a period of several months the government has been actively considering requests for assistance in the training and equipping of the armed forces of the united republic of Tanganyika and Zanzibar. The government has agreed to the request made by that government to send a military survey team to look into these matters.

Prior to the decision to send such a team the Canadian government offered training places for army officer cadets from Tanganyika and Zanzibar and this offer was accepted by the government of the united republic. The first group arrived in Ottawa on September 16. I believe it is anticipated that up to 15 cadets will be accepted in the present training year.

Mr. Brewin: May I ask a supplementary question. Will the minister say whether there is any danger that if the government of Canada does not render such assistance, other countries, perhaps communist countries, may do so?

Mr. Martin (Essex East): My hon. friend has no doubt seen indications in the newspapers to the effect that there has been an offer of assistance from communist China. Indeed, I believe there is a mission from that country in Tanganyika at the present time.

INDUSTRY

PERSONNEL COSTS IN SECURING OF NEW INDUSTRIES

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I should like to direct my question to the right hon. Prime Minister or the Minister of Industry. Can the Minister of Industry justify the expenses incurred concerning personnel charged with finding new industries for different parts of Canada?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker.

Mr. Langlois: But is it not a fact that during the last few days many of these men were unnecessarily laid off on a temporary basis?

[*Later:*]

Mr. Langlois: Mr. Speaker, I should like to direct a question to the Minister of Industry in relation to the one I asked a few minutes ago, to the effect that there are a few men in the minister's department who have been laid off; and I refer to those personnel in charge of finding new industries. Is that a fact, and can the minister say when that took place?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I was not aware that there had been any lay-offs in the Department of Industry, but I will be glad to make inquiries concerning this.

AUTOMOBILE PARTS—DISCUSSIONS WITH U.S. RESPECTING CANADIAN INCENTIVE PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to address a question to the Minister of

Industry in the hope that it will meet with your ruling. In view of the widespread concern being created by reports from Washington that the United States is likely to take retaliatory action regarding the government's automotive parts incentive program, has the minister held meetings recently with United States officials to discuss alterations in the program; and what is the nature of such alterations, if any?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think hon. members will be aware that there is a quasi-judicial action pending in the United States with respect to the program of which the hon. member has spoken. In view of that fact it would be inappropriate for either the Canadian government or its representatives to make any kind of comment. I may say, however, that as is customary between ourselves and the United States, there continues to be the closest of consultation with a view to exploring all possible contingencies, all possible eventualities, and seeking solutions thereto.

EMPLOYMENT OF RETIRED MILITARY PERSONNEL IN DEFENCE INDUSTRIES

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Industry. In view of the expressed concern that there is a growing close association between the defence department and the defence industry, due to an increasing number of retiring senior military officers taking top posts in defence companies, will the minister inform the house what steps he is taking to prevent this practice continuing?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the assumptions made in the newspaper story of which I have taken note are quite unwarranted, and there has been no evidence whatsoever that senior members of the armed forces who have retired and taken positions within industry, to give of their talents and energies to the country, have in any way abused the positions they previously held or made use in an unauthorized way of information to which they may have been privy.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a question supplementary to that asked of the Minister of Industry by the previous speaker. Has not this practice been followed in the United States, and as the result of these retired military officials becoming senior executives of companies concerned with defence material production has not the United States had to pass legislation to correct the situation? Would the minister say that none of these retired officers have joined companies in Canada under similar circumstances?

Mr. Drury: I am not aware of the legislation in the United States to which the hon. member has referred. I am certain there is no such legislation in the United Kingdom. I will make inquiries as to what is the situation in the United States; but, Mr. Speaker, I repeat that I think any suggestion of restrictive legislation impugning the bona fides of ex-members of the armed forces in this country is quite unwarranted.

Mr. Crouse: I have a supplementary question, Mr. Speaker. The minister says he is not aware of this legislation. It was passed by the congress of the United States in 1963, and it prevents senior military officers occupying these posts. My supplementary question is this. Is there not some danger that the defence industry will dictate to the defence department what they should buy, rather than it being the other way around? Would this not be the situation if his department was staffed with too many senior military officers?

Mr. Drury: No, Mr. Speaker, I cannot agree with that.

Mr. Herridge: A supplementary question, Mr. Speaker. A prominent member of the United States cabinet said that under these circumstances there could be a conflict of interest. Does not the minister agree with him?

Mr. Speaker: Order, please. I do not think that is a proper question.

AIRPORTS

TORONTO—REPORTED UNSATISFACTORY LIMOUSINE SERVICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Transport. Due to congestion almost every Friday evening of Air Canada passengers arriving at Toronto international airport and requesting limousine service without success, will the minister say whether he has investigated the possibility of private companies supplying this service; and would he inform the R.C.M.P. not to prohibit the private cabs carrying passengers to the terminal from offering such service?

Hon. J. W. Pickersgill (Minister of Transport): As the hon. gentleman knows, Mr. Speaker, I have been looking into this matter for some time, and if there is a shortage of cabs I think something should be done to remedy it.

TRADE

INQUIRY AS TO INTERNATIONAL COFFEE AGREEMENT

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I would like to ask the Minister of Trade and Commerce. In reply to a question of mine yesterday it was indicated that the retail price of coffee in Canada had increased by some 25 per cent to 30 per cent in line with the international coffee agreement. Is Canada satisfied with this agreement, or is some thought being given to protecting coffee drinkers by seeking amendments to it?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as hon. members know, I happen to have been the chairman of the international coffee conference at which the present coffee agreement was negotiated. At that time coffee prices were at very low levels, lower than at any time in the past decade, and it was agreed by the then Canadian government and by all the other countries of the world that this was causing human hardship and was interfering with the development of countries that produce and export coffee.

When the agreement came into effect in July, 1963 prices were, as I say, at these very low levels. Shortly thereafter there was a very serious drought in Brazil, which was the main cause for the increase in prices. Indeed, the increase had very little to do with the international coffee agreement. Then, when these prices rose very sharply as a result of the change in the supply situation, the members subscribing to the coffee agreement acted quickly to increase the permissible supplies of coffee being marketed under the agreement, with the result that coffee prices came down from their high point.

In answer specifically to the question as to whether Canada is satisfied with the operation of the agreement, I would say that this agreement can be improved; and it can be improved, I think, for the benefit of both consumers and producers. I would urge upon my hon. friend who asked this question that it is very much in the interests of all of us, including the consumers of Canada, that there should be reasonable prices for coffee, just as there should be reasonable prices for wheat.

An hon. Member: And turkeys.

Mr. Mather: As a supplementary question, is the minister not aware that the United States house of representatives has withheld re-ratification of the world coffee agreement because it is the feeling there that it is working to the detriment of the consumers of coffee in the United States?

Mr. Sharp: Yes, Mr. Speaker, I know this. I know the reluctance there has been in the United States for many years to agree to any international commodity agreement. This has been a standing difficulty, but I do hope this agreement will be ratified.

BUTTER—NEGOTIATIONS RESPECTING IMPORTS INTO CANADA

On the orders of the day:

[*Translation*]

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

Could he tell us whether it is true that certain concerns are now entering into preliminary negotiations with a view to import butter into Canada?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I am unaware of it, but I will make inquiries.

SPORTS

REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

On the orders of the day:

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Could the minister inform the house whether the government is favourable to awarding the $500,000 grant to la société des jeux d'hiver de Québec, as recommended by the national advisory council on amateur sport and physical fitness? Also, what stage has been reached in these transactions between the federal and the provincial authorities?

Mr. Speaker: Order. It does seem to me this is a very good question for the order paper.

Mr. Choquette: It is an urgent question, because those games are supposed to take place in 1966 or 1967.

Some hon. Members: Oh, oh.

Mr. Choquette: Therefore the organization has to be assured it will get the grant as soon as possible. Mr. Speaker, I will raise this question at ten o'clock.

NATIONAL PARKS

BANFF—RECOMMENDATIONS OF ADVISORY COUNCIL

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my question is directed to the Minister of Northern Affairs and National Resources and arises out of an answer he gave the former minister of northern affairs and national resources, the hon. member for Brandon-Souris, in reference to a demand for his resignation by the Banff civic council, an elected body. Is he now prepared, because of the serious charges made against him by that elected council, to meet with the council in the very near future?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I have no objection to meeting the council at any time. I would hope that some of those who made the statements in question would not be at the council meeting when I attend it. This is an advisory board, and they gave the type of advice that was given in this case when it was absolutely clear that I was operating within the advice given us by the Oberlander report and also by the code that we had developed in respect to the use of these properties. This matter has been the subject of a number of editorials, and I think the gentleman who spoke about dirty politics was probably answered as well by them as I intend to answer him when I speak.

Mr. Woolliams: Mr. Speaker, I wonder whether the minister would care to disclose the name of that elected representative on the council, so the council could advise him to stay away the night the minister meets with the council.

Hon. W. G. Dinsdale (Brandon-Souris): I have a supplementary question, Mr. Speaker. Could the minister assure the house that the choice made in regard to this property was not in favour of commercial interests versus one of the most strategic potential park sites in Banff?

Mr. Laing: No, Mr. Speaker, I do not believe so, because this site was set aside in the Oberlander report for use as a motel. The difficulty in the parks—not alone in this park—is that there is resistance to competition. I unfortunately, as was the former minister, was placed in the position of having to determine what is the proper degree of competition. I would say that in my best judgment at the present time I tend to greater competition being permitted than exists at the present time, and that is going to be the policy.

CANADIAN BROADCASTING CORPORATION

SHOWING OF FILM ON FREDERICTON CONFERENCE ON NATIONAL GOALS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Secretary of State, but in his absence perhaps the acting minister could answer. Can the minister advise the house and public when the film on the excellent national conference on Canadian goals, recently held at Fredericton, will be shown on C.B.C. television?

Hon. J. W. Pickersgill (Acting Secretary of State): I have no knowledge of the matter, Mr. Speaker, but I will inquire.

ALLOCATION OF FREE TIME TO POLITICAL PARTIES

On the orders of the day:

[*Translation*]

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

Could he tell us whether he has made representations to the C.B.C. so that the leaders of the other parties might have a television program like the ones given to the leaders of the Liberal and Conservative parties, and also what were the results of those representations?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will pass on the views expressed by the hon. member to the C.B.C.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister.

Can he tell us whether there was an answer from the C.B.C., whether he expects an answer soon or whether he intends to renew his request in this respect?

[*Text*]

Mr. Pearson: Mr. Speaker, I will be glad to make further inquiries.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, my question refers to an important article appearing in this morning's *Globe and Mail*, which reads in part:

"Until honesty returns to our ranks, how can we criticize other political parties?"

This was stated by a supporter of the Ontario Liberal association in protest against federal Liberal politicians in the provincial field.

Mr. Speaker: Order, please.

Mr. Winkler: My question is to the Minister of Finance—

Mr. Speaker: Order. The question is not in order.

CROWN ASSETS

ST. HYACINTHE, QUE.—DISPOSITION OF FEDERAL BUILDINGS

On the orders of the day:

[*Translation*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I should like to take this opportunity to answer the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) who asked me a question the other day in connection with the disposal of crown assets.

I understand that there have been negotiations between the city council of St. Hyacinthe and the representatives of the Crown Assets Disposal Corporation and a resolution from the city council of St. Hyacinthe is expected now at any moment.

[*Later:*]

Hon. Théogène Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to ask the Minister of Industry and Minister of Defence Production a supplementary question arising out of the information he gave a little earlier.

How much did the city council of St. Hyacinthe offer for the two unused buildings?

Mr. Drury: Mr. Speaker, as I said a little earlier, we are awaiting the city council's offer.

[*Text*]

ROYAL CANADIAN AIR FORCE

BRANDON, MAN.—CANCELLATION OF FLY-PAST COMMEMORATING BATTLE OF BRITAIN

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): I have a question for the Minister of National Defence. Is the minister aware that the traditional fly-past held in connection with the annual battle of Britain ceremony in the Rivers-Brandon area was cancelled at the last moment on instructions from Ottawa and that this was the only disappointing aspect of an otherwise impressive ceremony? Can the minister give reasons for the sudden change in policy in this regard?

Hon. Paul Hellyer (Minister of National Defence): I thank the hon. gentleman for indicating to me on the way to the house that he would ask this question. He is not accurate when he implies there was a sudden change in policy. As I think he was advised in response to his telegram, last March the R.C.A.F. established a policy of not accepting invitations to participate in fly-pasts and other shows across the country, except in a certain narrow range of circumstances including air force days. The policy which has been applied throughout the whole season was applied in the case to which the hon. member refers.

Mr. Dinsdale: Is the minister aware that regular training exercises are carried out by the aircraft based at Rivers, that the pilots of these planes were standing by waiting to take part in the ceremony, and that they were disappointed, because they regard it as one of the most important ceremonies in which the air force can participate, inasmuch as it was commemorating an event which makes it possible for us to sit here as a free parliament today?

Mr. Hellyer: I was not aware of that, but if it is so I am surprised they would not have been aware of the policy which was established by the force many months ago.

TRANSPORT

DISCUSSION WITH WHEAT POOLS OF PROPOSED LEGISLATION

On the orders of the day:

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Transport; I regret I have not sent him notice. Has the hon. gentleman recently had discussions with the leaders of the western wheat pools with regard to the new transport legislation, and is he able to disclose to the house the nature of any advice which may have been tendered to him?

Hon. J. W. Pickersgill (Minister of Transport): I had the chairmen of the Manitoba, Saskatchewan and Alberta pools to lunch with

me today. The Minister of Trade and Commerce was also present. It was a very enjoyable western gathering at which we had a little discussion about the transport of wheat, a subject which naturally interests the wheat pools.

CANADIAN FLAG

REPORTED STATEMENTS BY PRIME MINISTER

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I have a question for the Prime Minister. Did the right hon. gentleman state in the course of a press conference in Vancouver on September 17 that closure would be used if the flag committee did not come forward with a near unanimous decision?

Right Hon. L. B. Pearson (Prime Minister): No such statement was made.

Mr. Coates: Would the Prime Minister make available to the house what, in fact, he did say to that press conference? I picked up the Montreal *Star* on Friday afternoon and the headline said that closure would be applied by the Prime Minister in the debate.

Mr. Pearson: I will be glad to convey to the hon. member the record, as I have it, of what I did say. Also if he studies the matter he will find out that the Montreal *Star* did not make the statement he mentioned.

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I would like to ask the right hon. Prime Minister a supplementary question.

According to the Canadian Press he stated in Newfoundland yesterday:

> I hope to see the new Canadian flag and the union jack flying side by side on the parliament buildings.

Does this mean that even before the committee hands in its report we are certain that Canada will have two flags?

[*Text*]

Mr. Pearson: No; I did not say that, either, in that form.

Mr. Coates: I wonder if the Prime Minister—

Mr. Speaker: Order. There should be a little order.

Mr. Langlois: I rise on a question of privilege—

[Mr. Pickersgill.]

Mr. Diefenbaker: Perhaps the Prime Minister would tell us what he did say?

Mr. Langlois: I rise on a question of privilege. I had intended doing so earlier, but since the question has now been brought up I should like to insist on a point which the hon. member for Burnaby-Coquitlam brought before the house the other day. As a member of the flag committee I urge that until this committee has made its report the leaders of the two major parties in this house should refrain from making any statements which would cause any kind of commotion in that committee, so that we can come to a conclusion before long.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): We do not want to be unfair to the Prime Minister, because two misreports in two days is one under par. Would he tell us what he did say yesterday in this regard? He says he did not say that he hoped soon there would be two flags flying on parliament hill. What did he say?

Mr. Pearson: I know the right hon. gentleman has an intense interest in this matter, and I also know how preoccupied he has been over the years by accuracy in reporting. What I said was, I am sure, something which would appeal to the right hon. gentleman. I said that if the committee reports, and the report of the committee is accepted by the house providing for a distinctive Canadian national flag and a flag which symbolizes our commonwealth association and our loyalty to the monarchy, I would hope on appropriate occasions to see both of them flying on parliament hill.

Mr. Diefenbaker: Now that we have the revision of what the Prime Minister said yesterday—

Mr. Pearson: On a question of privilege, the right hon. gentleman asked me what I said and I gave him a report of what I said. He has no right to refer to this as a revision of what I said. I do not adopt those tactics, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Speaker: I hope we have concluded questions on this particular matter for the moment.

Mr. H. W. Herridge (Kootenay West): I have a supplementary question on another aspect—

Mr. Speaker: May I suggest to the hon. member for Kootenay West that we have had sufficient discussion of this matter.

Mr. Herridge: It has been brought up, Mr. Speaker—

Mr. Fisher: Christmas comes but once a year.

LOTTERIES

NOVA SCOTIA—DRAWING OF NAMES OF HUNTERS

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I wish to address a question to the Minister of Justice. On the front page of the Halifax *Chronicle-Herald* for yesterday morning, September 21, I read that the first open season on moose in Nova Scotia since 1937 will open tomorrow, but only 400 residents are eligible to hunt the animals. Then this statement appears: "The licences were drawn for last month".

Will the Minister of Justice advise this house when the lottery was legalized by the Department of Justice, so that we may have a precedent for other lotteries in this country?

Mr. Speaker: Order, please. Now we have enjoyed that question I suggest we move on.

VETERANS AFFAIRS

INQUIRY AS TO INCREASES IN PENSIONS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): I wish to direct a question to the Minister of Veterans Affairs. Inasmuch as the hon. gentleman's estimates received a speedy referral to the standing committee today, would the hon. gentleman tell us whether he is ready to discuss, within the area of that committee's inquiries, the revision of veterans pensions in the light of the present day cost of living?

Hon. Roger Teillet (Minister of Veterans Affairs): I think that is a question for the committee itself. Perhaps I had better put it this way. I can assure the hon. gentleman that I will be glad to appear before that committee at any time it so requests.

[*Later:*]

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, my question is directed to the Minister of Veterans Affairs, and it can probably be classified as supplementary to a previous question. When his estimates are before the committee concerned, will he be in a position to make a policy statement with regard to the proposed takeover of veterans hospitals. I may be in error, but I do not think we have had a clarifying statement. On the one hand, we have the statement being made—

Some hon. Members: Order.

Mr. Speaker: Order, please. The question has been asked. Let us wait for the answer.

Mr. Teillet: Mr. Speaker, as I indicated a moment ago I will certainly be glad to appear before the committee at any time and answer any questions that are right and proper, and which I can answer.

PUBLIC WORKS

CHURCHILL, MAN.—USE OF LIVING QUARTERS AT FORMER ARMY BASE

On the orders of the day:

Hon. J. P. Deschatelets (Minister of Public Works): Yesterday the hon. member for Burnaby-Coquitlam wondered why vacant quarters in Churchill could not be occupied by personnel of Pan-American Airways. When the army was responsible for housing before April 1, 1964, they issued a block of houses to the United States air force, which in turn allocated some of the houses to its contractor, Pan-American Airways. The Department of Public Works has kept that arrangement in force, because the vacant houses will eventually be filled by employees of various federal departments now in Churchill when they have completed their recruiting. We anticipate, therefore, that this recruiting will soon be completed, and there should be no vacancies after that.

Mr. T. C. Douglas (Burnaby-Coquitlam): I should like to ask a supplementary question, Mr. Speaker. How soon does the minister think these 100 vacant married quarters will be occupied? At the present time I understand they are empty, while Pan-American employees are having great difficulty obtaining living accommodation for themselves and their families. How soon will these 100 vacant quarters be occupied by the families to which he referred?

Mr. Deschatelets: Mr. Speaker, this recruiting is going on quite rapidly. I think my estimates will be called on Thursday or Friday of this week, and I will be in a position then to give more details.

Inquiries of the Ministry

HOUSE OF COMMONS

INCLUSION OF INTERPRETERS AND TRANSLATORS IN INTERNAL ECONOMY COMMISSION DIRECTIVES

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, yesterday the hon. member for Quebec-Montmorency asked a question concerning certain pay increases. I want to say that the order passed by the internal economy commission and announced by Mr. Speaker last week did not include the employees of the house who belong to the translation and interpretation divisions of the Department of the Secretary of State, because the salaries of these employees have been revised already. That revision was effective as of April 1, 1963. The classes of translators and interpreters form part of the group A cyclical review.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, a supplementary question. Would the parliamentary secretary inquire whether the regulations—not the increases but the regulations—applicable to the employees of the House of Commons apply also to translators and interpreters?

[*Text*]

Mr. Stewart: Mr. Speaker, I will refer this particular detailed question to the appropriate authorities and obtain an answer.

HIGHWAYS

DISCUSSIONS WITH PROVINCES RESPECTING NATIONAL POLICY

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I direct my question to the Minister of Public Works. Can the minister advise the house whether discussions have been reinstituted with the provinces, or whether discussions are contemplated with the provinces, in respect of the development of a national highways policy; and can he tell the house when the government plans to make an announcement of such policy and whether it is likely to be soon?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, it is not easy on orders of the day to answer such a broad question which has to do with government policy, but I might say that it is not the intention of the department to call the provincial ministers of highways to a national conference. This does not close the door to any exchange of views in respect of problems the provinces might have. In fact, during the past month we have had many meetings with the provincial ministers of highways.

Mr. Fleming (Okanagan-Revelstoke): I have a supplementary question, Mr. Speaker. Do I understand the minister to say there is not to be a conference on national highways policy but simply conferences on ad hoc situations as they arise, and that no national policy is contemplated?

Mr. Deschatelets: Mr. Speaker, I said before that for the present year it is not the intention to call a meeting of the provincial ministers of highways, and that is the situation at this time. I have said that this was not closing the door to any particular talks with any provinces, and such talks have in fact taken place.

Mr. Fleming (Okanagan-Revelstoke): I have a further supplementary question, Mr. Speaker. I am not asking the minister about not closing doors, I am asking him whether he is going to open some doors to a national highways policy.

Mr. Speaker: Order, please. May I suggest that the hon. member put that very detailed question on the order paper.

FISHERIES

REGULATIONS RESPECTING KILLING OF SEALS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am sure the Minister of Fisheries has been receiving many complaints following the article in the *Globe and Mail* regarding the inhuman and dastardly practices of some in respect of sealing. He stated the other day that he was going to recommend some change in the regulations. Is he now in a position to say what those changes will be, so there will be no repetition of the circumstances set out in that article that brought about tremendous public interest?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, the seal season has been closed since April 25 last, I believe, and will not reopen until early in March of next year. As I have stated in this house, a meeting was held on May 19 or 20 in Moncton with representatives of the sealing industry and a number of representatives of the fishermen concerned. Since then a draft has been prepared of certain amendments to the seal

regulations, and a second meeting has been called for early October in order to make known to those interested the amendments we have in mind. Following that meeting it is my intention to have an order in council passed amending the regulations and giving the protection which has been asked for.

Mr. Diefenbaker: Mr. Speaker, I thank the minister for that statement, and ask him whether representatives of the humane society will be present when these proposed amendments to the regulations are discussed, so there will be double assurance that these cruelties will not continue to be perpetuated.

Mr. Robichaud: Mr. Speaker, I am pleased to report that we have already discussed these proposed amendments with representatives of the humane society, and they are quite satisfied with the amendments we have in mind.

WORLD FAIR

REPORTED INTENTION TO CONSTRUCT MODEL HOUSES

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I put a question to the Minister of Public Works?

Could the minister inquire of the 1967 world exhibition corporation about its project "Habitat 67" under which 1,100 model apartments would be built at an estimated cost of $36,903 each?

Does the minister not feel that those apartments are too expensive?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, may I ask the hon. member to put his question to the Minister of Trade and Commerce (Mr. Sharp) since he actually attends to matters relating to the 1967 world fair?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I will take this question as notice.

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker, in the absence of the Minister of Agriculture I should like to direct my question to the Prime Minister. Approximately a year ago I asked in the house whether the government intended to form an agency to deal with eastern Canada feed grain. Has the government taken any decision or any step in this direction since 365 days ago?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will bring this question to the attention of the minister who is absent on official business.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed from Monday, September 21, consideration of the motion of Mr. Hays for the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, yesterday the parliamentary secretary to the Minister of Agriculture gave us some further information concerning the general outline of the bill we are discussing, which has to do with loans to farm machinery syndicates. This was done because on this side of the house many questions were asked at the resolution stage pertaining to the background of the legislation. When the minister was pressed at the resolution stage he stated that in the terms of the bill itself, and the explanations that would follow, answers would be found to these many pertinent questions.

Although the parliamentary secretary did comply with our requests to a degree, there still remain many broad questions with respect to the principles of the bill about which we would like to be satisfied. After having had the opportunity to read the bill I must say that personally I am very disappointed. I am of the opinion that the measure may indeed be of some help to a few large farm complexes throughout the country, but in its application it will do very little to help the ordinary farmer who seems to be in difficulty today.

The approach of the government in the bill, as with any other farm legislation or policy that has been introduced by the government, seems to follow one particular course, to provide further funds by way of credit for our farmers who, if they take advantage of it, find themselves deeper and deeper in debt. In my opinion this in no way attacks the basic problem of farming today because farmers do not want to be in debt. They do not want too much additional credit. What they want is an attempt by the government

either to increase their incomes or decrease their operating expenses in order to give them the necessary capital to finance themselves. It is my honest opinion that the bill, as in the case of other legislative applications of policy by the government, does nothing to attack these basic problems facing agriculture today. The Minister of Agriculture (Mr. Hays) and the parliamentary secretary spoke about the 80 per cent of the cost that the loan would cover and the 20 per cent that would have to be put up by the individuals joining such a syndicate.

Now, Mr. Speaker, I would hope that in the course of a few minutes this afternoon I could ask the parliamentary secretary or the minister some of the questions that must be going through the minds of farmers today who are aware of this legislation. I hope that before we get into the committee stage on this bill the parliamentary secretary might provide the answers to these questions, which I am sure must be troubling these farmers. We have heard about this 80 per cent-20 per cent basis, but what the farmers will want to know is how this 20 per cent is going to be broken up amongst the members of the syndicate. Is each member of the syndicate to be assessed an equal amount of this equity or is there to be a disparity amongst the members who join? Can one member put up 10 per cent and the other three members provide the other 10 per cent or must they all assume an equal amount of this liability? This is one of the questions farmers are asking today.

We understand from the parliamentary secretary that each member will be allowed to borrow up to $15,000, and that there will be a maximum of $100,000 for the syndicate. We find the same regulation applying to farm improvement loans, and we wonder just what difference there will be. The parliamentary secretary stated this will in no way jeopardize the ability of farmers to borrow under the farm improvement loans legislation. Here again a question arises. If a farmer has borrowed $15,000 under the farm improvement loans legislation and has used his assets as collateral, will these same assets not be necessary for collateral for a farm machinery loan? Certainly the parliamentary secretary would not, I believe, contend that the same amount of capital can be used as collateral for both of these loans.

Then there is the seven year limit. If $100,000 is borrowed and the interest rate is the prevailing rate, plus 1 per cent for the cost of operation, it could mean 6 per cent spread over seven years. If there are five or six participants in this syndicate it would mean the repayment would amount to perhaps $6,000 per member per year, which is quite an obligation to be undertaken by a farmer.

There is another question that is bothering farmers today. What effect will this measure have on private enterprise? Throughout Canada today there are machine agents who are providing pools of machinery and making equipment available to their neighbours and farmers in the area, and charging operation costs on a custom basis. In what position does this measure place these men? There is a provision in this legislation to the effect that every member of a syndicate does not have to be a full time farmer. This has caused a lot of worry amongst members of the opposition because they believe it will lead to integration and we shall see big business come into the field to take over the tools necessary to do farm work. I am sure farmers all across this country would like to see these loans strictly limited to farmers. Farmers have a great deal of suspicion about pouring money into the hands of individuals not engaged in farm work who may be induced to come into the field, because in many cases this does not promote the best interests of the farmers themselves.

The parliamentary secretary spoke about general provisions. Farmers have found as a result of bitter experience that it is always a simple matter for them to obtain money from the various farm corporations, provided they have the necessary security. It is always a simple matter to contract into these things. When we are talking about $100,000, the farmers want to know how they contract out of something like this if it does not meet with their approval or does not live up to their expectations. The parliamentary secretary has stated that general provisions would be enacted for adding new members, to cover the death or insolvency of a member and for the dissolution of the syndicate. These are very general terms, Mr. Speaker, and general terms do not mean very much to a farmer in connection with an undertaking of this size.

We would like the government, if it is in a position to do so, to elaborate on these general provisions and to indicate what machinery they envisage might be set up to take care of this very important part of this measure. The farmers want to know what

happens if a partner becomes bankrupt. Where do we stand then? What happens if one of the partners should die? Am I saddled with that part of the obligation? If I want to get out of this syndicate, how do I get out or can I get out? How much of the obligation am I going to be forced to assume to get out of the syndicate? What factors are taken into consideration? What about the devaluation of the machinery the syndicate has purchased? These are some of the questions farmers are asking themselves today. Farmers are businessmen, Mr. Speaker, and they want to look at this measure strictly as businessmen. I feel that they are right in asking these questions.

The next question is, how do we arrive at the type of machinery we are going to buy? What happens if there is a disagreement amongst the members of the syndicate as to the type of machinery we want to buy? The members might agree on the type of machine, but there may be a difference of opinion over the company that is to furnish this machine. There are many machine companies today making machinery which is used for the same purpose but which may be slightly different. The farmers want to know how these matters are going to be decided. Are we going to have the members of the syndicate making all these decisions, or will the syndicate be subjected to a mass of rules and regulations relating to each of these difficulties that might arise? The farmers want to know exactly what they are going to get into. In my opinion it is not sufficient to state there will be general provisions.

It is stated that before a syndicate is formed the members will be required to make arrangements regarding shares, regarding repairs, operating costs, storage and allocation of priority for use of the machine. Now, Mr. Speaker, what is meant by "make arrangements"? Is it going to be stated that before a syndicate is brought into being you must form a board of directors, that you must have bylaws? Is it to be a closed corporation? What are the operating methods by which these arrangements are going to be made? Who makes these arrangements? Who decides what machinery shall be bought? Who decides the type of machinery that shall be bought? What happens when a new member is brought into the syndicate? How is he treated? What part of the obligation does he assume? Does he have to contribute toward the full cost of the machinery or the depreciated value of the machinery? These are the questions we would like to have answered before we deal with this bill clause by clause.

We hear that a number of persons may join a syndicate. This poses another problem in connection with farm credit. Farmers do not want to tie up all their credit in farm machinery. They have to have credit for fertilizers, for livestock and for seed. If I understand this bill correctly, when a person joins the syndicate he must sign a promissory note, and he must assume the entire obligation because, as I understand it, the obligation is assumed jointly and severally. Farmers want to know if they borrow $15,000 individually and the syndicate borrows $100,000, is the credit of a farmer assessed for the entire $100,000? When the farmer goes to a bank to borrow additional funds and this promissory note is disclosed, does this work against his credit to the full extent of $100,000? If such is the case, then there are hundreds of thousands of farmers whose credit would be absolutely at an end if they belonged to a syndicate operated under such an arrangement.

We are certainly not going to oppose this bill in its entirety. We are not going to oppose the principle of the bill, because we are of the opinion that if there is anything at all that will help the farmers we will support it, and if the farmers can use further credit we shall support the provision of it. If farmers can obtain and use better equipment, then that is all to the good; but I fear this bill will not accomplish what the government hopes it can, because I do not think the farmers will utilize this credit.

It will probably be businessmen who hope to invest money and earn a living that way, who will use the provisions of this bill. There may be large farm complexes which will take advantage of it, but these are few in number; and I believe that after the bill has been in operation for a few years the government will find it is a very poor one indeed. The government will find that it is not attacking the basic farm problems, that it is window dressing, and that it fails to meet basic farm needs.

It is my opinion that the provision of more credit to farmers at this stage is not the answer to farm problems. Some attempt must be made to assess and combat the two basic problems facing farmers today, which are lack of gross income and the increase in operating expenses. The gap is narrowing every year and farmers are finding it increasingly difficult to cope with these problems. All the government is doing through the

Farm Credit Corporation, the Farm Improvement Loans Act and now through this farm machinery syndicate bill is offering greater and greater credit to farmers which, for the most part, will put them more and more in debt, unless something is done to attack the basic problems of agriculture. The farmers of Quebec, Ontario, the maritimes, the west and B.C. know what the problems are. They have made representations to the government on their basic problems, and it is my opinion that a measure such as this will not in any way alleviate the basic problems they are facing.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I just wish to make a few brief observations on this somewhat unusual bill to provide for the extension of credit to farm machinery syndicates, the exact purpose of which is still somewhat of a mystery to the members of the house.

Before I proceed I should explain that I have been a farmer all my life, but in contrast to the many well-to-do farmers we find in the ranks of the Progressive Conservative party I have been associated more with the axe, the grub hoe and the walking plow throughout my life.

Mr. Diefenbaker: You are an agricultural plutocrat.

Mr. Herridge: However, I am just as interested in this bill as if I were the owner of a very large farm and had a large amount of equipment. I might say, Mr. Speaker, as my leader previously said, that we support the apparent principle of the bill, which even at this time is somewhat obscure, but the over-all general intention appears to be good. However, we shall have to do a bit of quizzing before we finally know what it all means.

To extend credit to farm syndicates and to provide a special account of some $25 million sounds very well. But as hon. members know, throughout the years this party has supported the economic family farm as the basis of Canadian agriculture, has supported the development of the co-operative ownership of machinery, has supported co-operative processing for farmers, has supported co-operative marketing, and has supported commodity marketing agreements between governments. In fact I think it is true to say that throughout the years this party has had some influence on agricultural policies in this house, closely associated as it is with the

producers of Canada, whether they are industrial or agricultural.

Until now we have not been faced with a bill quite like this one, but we have urged policies to this end and have urged legislation containing what appear to be the general purposes of this bill. We all know that in recent years, particularly since the second world war, there has been a great need for credit because of the greatly increased mechanization of our farms, and because of the large amounts of money required to buy the equipment necessary to service them.

I have had some experience of that in a much smaller field than on these wide prairie plains, or the rich Ontario valleys, or the rolling Quebec hills. It has been practical experience, because I am one of those who have their noses to the grindstone most of the time. Anyway this experience with the people I have the honour to represent has caused them willingly to associate themselves together in the co-operative purchasing of machinery, and I was rather surprised to hear the hon. member for Qu'Appelle (Mr. Hamilton) raise some doubts as to the ability of farmers to co-operate for this purpose. Our experience has been entirely different. We have carried on a form of co-operation in the purchase of machinery, as I said before on a much smaller scale than my hon. friends to the right speak of, but with great success, and I believe that what can be done in a limited sphere can be extended.

In his statement the minister recognized the great need for credit for the purchase of machinery, and also recognized the need for co-operative effort in purchasing machinery. Then he went on to deal with the syndicates, and this is the part of the bill on which we want full explanations. What does he mean by syndicates? How will they function? How will the proposed act be administered? I understand it is to be administered by the Farm Credit Corporation, and as this piece of legislation is an experiment its administration and application will be watched with interest.

As I have endeavoured to point out, there is experience in Canadian history to support this type of legislation in general principle. I am not quite sure of the details, but I remember when I was a boy our first investment in co-operative machinery was when all the neighbourhood got together to build a snowplow in order to get us out of the woods. Some people say we have not got out of them yet; but anyway, Mr. Speaker, after that we had co-operative ownership of

stump pulling machines. No one had sufficient money to buy a stump pulling machine and the necessary steam engine so we did it on a co-operative basis. Later we bought community land clearing equipment. Then as our orchards came into bearing we bought spraying machines on a co-operative basis, because these too were costly. In fact they are now ten times as costly as they were 40 years ago. Some farmers also went into the purchase of small saw mills and planers on a co-operative basis, and I shall have some questions to ask in that respect when we come to deal with various clauses in the bill.

Further, as has been pointed out, the prairies and other parts of the country shared similar experiences; all of which indicates that this type of legislation, if it is on a sound basis, should be very successful. Further we know that in the United Kingdom during the last eight or nine years they have experimented along these lines quite successfully. I do not know the details of their legislation with respect to co-operative ownership of machinery, but I do know the U.K. government makes provision for credit for the purchasing of machinery.

Because this is experimental legislation we have to ask a lot of questions. We support the principle or general purpose of the bill. Only experience in its application will determine whether it is successful to any extent or whether by amendment it can be made fully successful.

I take this point of view, Mr. Speaker. As I have said before, I give credit to the government for bringing in any legislation along this line that is of an experimental nature. We have to be willing to experiment in various ways in agriculture, as far as legislation is concerned. Some of these experiments will fail; some will succeed as the result of amendment because of experience. But I do believe we should be willing to see legislation of this type given a trial, to see how it works, and then look forward to an account from the minister, say after the act has had a year's operation.

I could go on at greater length, Mr. Speaker, but I think we can best get the information we require with respect to the purpose of this bill by asking our questions on the various clauses of the bill when they are being considered by the house in committee.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I welcome the opportunity to say a few words on the second reading of Bill C-121, an act to provide for the extension of credit to farm machinery syndicates. We appreciate the remarks the parliamentary secretary to the Minister of Agriculture made last night, bringing to our attention some of the ramifications of this proposed legislation and answering some of the questions that have been asked. It is a refreshing change to have this Liberal government introducing for the first time since it was elected a piece of legislation that has to do with agriculture. Any other pieces of agriculture legislation, to the best of my knowledge, were concerned with amendments to existing legislation that had been introduced into this house by the Conservative party. It is unusual, Mr. Speaker, that when the government is introducing for the first time a piece of legislation concerning agriculture, the Minister of Agriculture is not present to pilot the bill through the house.

Mr. Speaker, may I make it abundantly clear at the beginning that I am in favour of any legislation that will help increase the farmer's income, or anything that can be done to reduce the farmer's operating costs. I would hope sincerely that this legislation would do just that, but I have very many doubts as to whether it will provide either of these two conditions. The first question I would ask the minister if he were here is: Why did he introduce this legislation? Did anybody make representation to him or the government asking for such legislation? Did the Canadian farm federation or the farmers' union make representation asking for this type of legislation? Or is this just a brainchild of the minister's, to help promote farm integration? Does he want to promote integration, or does he want to help the small, individual farmer? Or is this going to be just a great bonanza for the agricultural farm implement people?

I think there is a great deal of duplication in this piece of legislation. Farm improvement loans were extended just recently doubling the amount that any farmer may borrow. As hon. members know, this act was set up to enable farmers to buy machinery. I believe this act would take care of the very thing the government is trying to bring about in this bill. The Farm Credit Corporation legislation was recently amended and it, too, makes provision for the purchase of machinery.

Then we have the other lending facilities that are available. I think of the Canadian banking system and the banks that are ready and willing to extend credit to an economic farm unit or a farm operation that is on sound footing. I believe we should pause here for a moment Mr. Speaker, and think of

the part the bank managers and the banks of Canada have played down through the years in helping to develop the economy of our country and agriculture as well. I think of the very useful advice the bank manager can give to a farmer or to anyone who makes application for a loan. I do not think we can just pass by lightly the ability that he has and the information he has at his disposal; the guiding hand and direction he is able to give anyone making application for or inquiring about a loan. I say again that I believe there is a great deal of duplication in this piece of legislation.

Are these syndicates to be treated as a co-operative? Are they to have the advantages with regard to income tax returns that co-operatives have at the present time? If this is so, I think this is a discriminatory piece of legislation; I think it is unfair to private business. The man who has made a great investment in machinery, who is ready and willing and is doing business in his community as a custom operator, is being discriminated against by this piece of legislation; or will be if it is adopted by the house. I think of the many millers who are operating feed mills in my area and many other areas of Canada. It is suggested that mobile feed mills can be bought under a syndicate arrangement. These mobile feed mills will move around an area in which there is already located a mill that has been serving the area down through the years and has been rendering good service. They will have a distinct advantage over the miller in the community especially with regard to the income tax arrangements that will be provided to these syndicates under this piece of legislation.

So, Mr. Speaker, I think this will create unfair competition. I would suggest that if the minister wishes to aid the livestock feeder in the east or the west, a more direct approach might be taken. In my humble opinion, the present course of action that is proposed will give the greatest benefit to the machinery manufacturers. The progressive farmer has more to do than learn the complex workings of the feed trade. The organizing, operating, upkeep and financing of a mobile feed mill is no small problem. The knowledge required to use the mill to maximum efficiency, the knowledge required to mix uniform feeds for effective purposes, and the knowledge required to choose the right supplements to complement the farmer's grains are not learned overnight.

[Mr. Hales.]

What happens then? Either there is the drop in quality that goes with a drop in price or some member, the one who has learned the most, will take over as manager of the group. If that is the case, the new co-operative group will be in direct competition with the local feed mill. It will incur many of the overhead costs which must be borne by any business organization and there will be fewer farmers to help bear these costs. A duplication of services often dilutes the efficiency of both.

I think this is a most unusual bill. There is a certain amount of mystery and experimentation connected with it. What research did the department carry out before introducing it? The parliamentary secretary told us last night that this system had been used in the United Kingdom. I believe he said it was introduced there in 1955 but that it took seven years, until 1962, to get 293 syndicates interested in this type of legislation. Even nine years later, in 1964, there were only 596 syndicates established under the United Kingdom program. Looking up the number of farmers in the United Kingdom I found that as of last year there were 399,683, almost as many as we have in Canada. However, I do not think a comparison can fairly be made between the situation in the United Kingdom and that which exists in Canada in this respect. The type of farming carried on in the United Kingdom is entirely different. They have smaller units there and climatic conditions are different from ours. So I do not think it is fair to say that because this scheme has worked in the United Kingdom it will necessarily work in Canada.

In conclusion I repeat what I said at the beginning of my remarks. I am in favour of anything which would help increase farm income or reduce operating costs, but I do not believe this bill is an answer to these problems. The measure involves duplication and for this reason it is not necessary. It discriminates against private businesses which are in operation in some fields one of which I have mentioned. For these reasons and others already mentioned, I doubt very much the value of this piece of legislation. I mentioned that this is the first piece of farm legislation which the Liberal government has introduced since it came to power and I cannot help think that they could have introduced much more needed legislation than is represented by the illconceived measure which has been placed before us at the present time.

Mr. R. N. Thompson (Red Deer): My remarks in relation to Bill No. C-121 will be

brief. This bill represents a new departure as far as farm assistance programs are concerned. It is impossible at this point to foretell exactly how it will work out but in principle I believe it has merit. On this basis therefore I am in favour of the legislation and I think it should be given a trial.

We must admit that it aims at fulfilling a definite need among our farmers and for this reason it justifies our support. I do not believe it is aimed at helping the large farmers. I am sure it is legislation which will be of greatest advantage to the small family farm unit which is today experiencing great difficulty in remaining economic.

I look back on my own experience as a lad on a farm. We grew up in the parkland area of the west; our farms did not have the vast acreage to be found in the prairies. One of the greatest problems we encountered was in the financing of the purchase of the expensive farm equipment needed. Consequently, even when it came to buying tractors and sod breaking equipment, farmers very often came together and jointly purchased machinery. No better illustration of this practice comes to mind than that of the community threshing machine. True, there was a day when the big custom machines were popular. But as the smaller threshing machines developed, the practice was for a group of farmers to get together to buy them jointly and provide the labour necessary to operate them. This system worked out most satisfactorily. I am convinced from my experience of the operation of smaller farms both in the east and in the west that there still is a need in this country for co-operative arrangements of this kind, because the cost of equipment today has increased so greatly to place it beyond the reach of many of the smaller operators. I have in mind a combine unit which costs in the vicinity of $8,000 or $10,000. A small farmer simply cannot afford to buy such equipment, nor indeed would he be justified in doing so, having regard to the tremendous investment involved and the shortness of the time during which such a machine would be used. However it could well be purchased under arrangements suggested in this legislation in co-operation with a number of other farmers and this, it seems to me, constitutes a practical answer to a problem which I think exists right across this country.

A number of speakers have suggested during this debate that the bill runs contrary to the principles of private enterprise, that it will work hardship on legitimate business operators who are now performing custom service. I do not think it conflicts with this type of service at all. The ordinary feed mill operator is not serving just three or four farms; he is probably serving 30 or 40 farms in a community. Custom operations at harvest time and certain other seasons of the year are based on an area much larger than this legislation is likely to reach. For this reason I do not agree that the measure will work hardship on what has now become a legitimate private enterprise business, namely custom work. I believe this is a much smaller thing, and that it will assist farmers who are now encountering difficulty in making their units economic. On this basis the legislation is desirable. However, I think it is impossible at this stage to predict how widely the facilities will be used or just how well the legislation will meet the end toward which it is directed. I do think however it is worthy of being given our confidence at this time so that it can be put forward on a trial basis. If it does not meet the objective that it is intended to meet, the legislation will just not be used as perhaps some of us visualize it will be used.

The greatest problem farmers experience today is that of obtaining credit on the one hand, while at the same time being able to make use of that equipment which the credit will enable the farmer to purchase in an economical fashion. Here again I think that this bill is aimed in the right direction. I believe that we can well adopt the attitude that it is worthy of our support, and we should give it a trial, letting the farmers themselves prove how successful and extensive it can be in their present needs.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not intend to add anything to the arguments that have been advanced by the hon. member for Kent (Ont.) (Mr. Danforth) and the hon. member for Wellington South (Mr. Hales), but I do feel that some observation should be made regarding the policy of this government to act on behalf of farmers and bring about within our country new hope in various areas of agriculture that have been so seriously neglected by this government.

In so far as this legislation is concerned, I can only measure its importance in the view of the government by the fact that no minister is here to present this legislation. Only two ministers are in the house. One is the Solicitor General (Mr. MacNaught), who at no time in my experience has participated in agricultural

matters, and the other, the Minister of Veterans Affairs (Mr. Teillet), whose experience in connection with agriculture is, to say the least, limited. I am not talking about his past, because I do not know anything about that, but I do know that his knowledge of agriculture has never been very apparent in this house. I am not going further than that at the moment, unless the hon. gentleman wants to get me into another field.

May I say this, and I speak with the authority of parliament throughout the years, that there could be nothing more contemptuous of the House of Commons than the introduction of legislation, which we are told is important, when the carriage of that legislation is not in the hands of a minister. I say that with all due respect to the hon. member for Peel (Mr. Beer), the parliamentary secretary. He cannot speak for the government and has no authority to do so. The answers he may give would not have the authority of governmental answers. Indeed I think this is the first time in the years I have been here that I have known of any legislation being introduced without a minister being available to explain and answer the questions that necessarily arise.

When one thinks of the promises made only 17 months ago, 18 months ago and 19 months ago in respect of what was going to be done for Canadian agriculture, he must remember that now in the month of September this is the first matter of legislation originating with this government intended to help the farmer. Nothing has been done to meet the problem of the Canadian farmer, and that problem today relates to the increase in the cost-price squeeze and the increase in the prices of those things which the farmer has to buy without a corresponding increase in the price of those things the farmer has to sell. The government that promised much now brings in a piece of legislation that has all the appearance of papering over the agricultural cracks in the Canadian economy.

I was interested to read recently that the Minister of Agriculture (Mr. Hays) thinks that the name "farmer" is one that is not as highly regarded as it should be. Indeed he said in his speech in Toronto on December 4 that something should be done to improve the image of the farmer, and that image he said should be improved in the sophisticated city minds. In the view of the Minister of Agriculture "farmer" is an expression that can no longer be used among the sophisticated, and therefore the Minister of Agriculture for Canada has concluded that it might be well to change the name, and instead of calling him a farmer we should begin to call him what he really is, a food producer, a food manufacturer, or a grocery grower. That is a most unusual viewpoint on the part of the Minister of Agriculture for Canada, and it is surprising that he should be disturbed in his soul about the name "farmer" but not equally disturbed by the need for taking effective action.

Hon. members of the official opposition have brought before the house and the country the serious plight of the dairy farmers, the serious plight of the farmers both in Ontario and in Quebec. No action has been taken and nothing has been done to meet the problem, of such a nature in the province of Quebec that some 16,000 farmers—if I may still use that expression without its having the connotation of opprobrium that was in the mind of the Minister of Agriculture when he spoke in Toronto—marched on Quebec city. Nothing has been done and no action has been taken. The real income of the Canadian farmer is down, and I mean the effective income based on a proper relationship to the cost of things the farmer has to buy. Indeed what is being produced here by this legislation is simply an experiment with a potential $25 million cost tag attached to it.

I cannot discuss at this moment what the effect of this legislation will be, but it does provide that not less than three individuals, who are engaged in farming independently of one another, or who are members of a co-operative farm association, and the principal occupation of a majority of whom is farming, may obtain some assistance. What does this mean? It means simply that two farmers can join with a financially powerful man and then obtain this assistance. It is all very well to say that something should be done for the small farmer, and I believe in that, but this legislation has all the appearance of being ill digested, ill considered and completely insufficient in any way to meet the farm problems.

I am reminded that many promises were made by the Liberal party during the election campaign. They were summed up recently in the *Family Herald* of Montreal. I am glad to see that the joint minister of agriculture, if I may call him that, is in our midst now because he is the one who should be piloting this measure. He is the only one who can speak with authority, not a parliamentary secretary however estimable but a minister of the crown. I hope that as I go on the number of ministers will increase. I am referring to numbers, not to importance. We

now have three present and we will expect the hon. gentleman who has just come in, the Minister of Forestry (Mr. Sauvé), to have something to say in this regard because, after all, in his own province of Quebec public opinion is aroused today to such an extent that one of the ministers said the other day the economic situation in that province was of greater importance than any constitutional matter that is being raised there.

I do not know why the Minister of Agriculture (Mr. Hays) felt that the word "farmer" carried a very unelevated connotation and whether that is the reason the present government has not acted to carry out its promises. They were wonderful promises that were made. Here they are as set out in the *Family Herald*:

The emphasis in price supports will be shifted from butter to skim milk powder and cheese. Deficiency payments will be made to cream shippers to maintain present price levels.

What has been done in that connection has left the dairy industry of eastern Canada —and I am now speaking of eastern Canada— in a most serious situation. Next:

A new Liberal government will take the initiative in formulating with the provinces a program of providing free milk for children in school.

Free milk? That promise, made in every part of this country, is gone. Next:

A new program of active leadership in improving the quality of dairy products will be undertaken in co-operation with the provinces.

Except for the change in the subsidy on cheddar cheese there has been no action. Next:

Farmers who wish to switch from dairying to other enterprises to which their farms are better suited will be encouraged by credit specifically adapted to this purpose and by conversion compensation grants.

There is another program promised but no new measure has been produced.

Vigorous leadership will be provided in the activities in a new national co-ordinating advisory board for the dairy industry.

Promises were made and while a special dairy conference was convened the only board that is in existence is the national co-ordinating advisory board established by the hon. member for Qu'Appelle (Mr. Hamilton) when he was minister. Then we come to wheat.

A new Liberal government will immediately provide a floor price of $2 per bushel for wheat—

Promise? Yes. Implementation? None. It has now been dropped.

Further, legislation will be provided for a two price system for wheat on the basis of the unit quota. Farmers will be paid a price for wheat used in domestic human consumption which reflects the fact that they buy production requirements in a tariff protected market and sell in world markets. This policy will be effected by a consumer subsidy and thus will cause no rise in the price of bread.

No action. Forgotten. I mention these promises to indicate that what is being done here is simply a subterfuge to conceal the failure of the government to act on behalf of agriculture. What did they promise with regard to price supports?

A new Liberal government will maintain price supports on important agricultural products that are fair and realistic, they will be based on principles, not on expediency. Where appropriate, a new Liberal government will provide deficiency payments that will protect farmers in seasons of price declines by calculating payments on a quarterly instead of annual basis. Where appropriate, also, support prices will be put on a regional basis.

I need not tell you that that promise has been honoured by being entirely neglected except for the price support program on dairy products and the 47 cent support price on a pound of flue cured tobacco. Then we come to livestock improvement. To read this is like reading a book of fiction when compared with the implementation contained in this measure, which represents all that has been done except for the extension of credit under legislation already existing. This is what it says:

To further improve this vital section of our agricultural economy a new Liberal government will:

Rapidly expand record of performance testing of livestock...

Undertake additional aggressive programs of quality improvement for hogs, beef cattle, poultry and sheep.

Vigorously support research on livestock nutrition with a view to achieving significant cost reductions for farmers...

Undertake a thorough revision of the health of animals regulations and ensure their effective enforcement.

Nothing has been done on that last one. You will recall it was said that too much was being done for the west under the government of which I had the honour to be prime minister. All we did was to elevate the level in western Canada to that in other parts of Canada on behalf of agriculture. I speak now, not as Leader of the Opposition but as a western member wanting to see something done by the government on behalf of the eastern dairy farmers. Let us have no more of this tinkering, for that is what it is. The government will go out and say that they made $25 million available to syndicates. What the farmers are asking for is a fair and reasonable price level. Do you remember

what those on the other side of the house said? "We are going to bring about a new system. It has been most unfair for all ministers of agriculture to come from western Canada. We are going to give you an associate minister."

A new Liberal government will include both a minister of agriculture and an associate minister of agriculture of cabinet rank, one of whom will be specifically responsible for agricultural problems in eastern Canada.

A government of promises. A government of retreat. On the very first day as prime minister, the Prime Minister indicated it was his intention to appoint Mr. René Tremblay as the new minister of agriculture, east. That hon. gentleman thought he was appointed. He even had letterheads prepared and then he found there was not going to be one. That is the position of affairs today. This was a major promise and certainly with the Minister of Agriculture perambulating all over the country there should be a minister of agriculture present in the House of Commons to substitute for him and carry out some of these promises.

Mr. Woolliams: You mean one inside the house and one outside.

Mr. Diefenbaker: Then we come to feed grains.

The Liberal party is committed to continuing the present feed freight assistance program.

They did that.

Ensuring that sufficient freight and storage capacity is made available, so that adequate supplies of feed grains are maintained at the lakehead to supply eastern Canadian markets.

Instead of doing that they instituted a storage program under which the government pays for the storage in licensed elevators in eastern Canada of feed grains during the six months from October 15 to April 15.

Providing the seasonal credit necessary to co-operatives for the purpose of ensuring that adequate supplies of feed grains are moved to eastern Canada prior to the closing of navigation on the great lakes and held there until required during the winter months.

This is the promise; the performance, nil.

Providing long term credit to co-operatives for the purpose of expanding feed grain storage facilities where required.

I ask, what did they do in that regard? Again the answer is, nothing. Then they also said that they would sponsor legislation for the incorporation of co-operatives on a national basis, and would provide loans and other encouragement for the efficient development of agricultural marketing and supply co-operatives of all types. Again, what was the answer?

They said that the P.F.A.A. would be extended to provide more adequate coverage in the areas to which it applied. Again there was no action. I quote:

A new Liberal government will extend national housing legislation for the improvement of farm homes and other dwellings in rural areas.

What has been done in that connection?

Mr. Winkler: Not a thing.

Mr. Diefenbaker: You could almost ask that question on all of these matters and develop a symphony in the house, a symphony in which all would say "nothing".

There is part of the record. I say that this government has totally failed to give consideration to the needs of Canadian agriculture. When the hon. member for Okanagan Boundary (Mr. Pugh) asked the other day regarding the turkey situation—and this was after the Minister of Agriculture (Mr. Hays) had spoken to those whom he called "the turkey people"—he was told that when the minister came back he would tell us about it. The turkey industry is in grave danger today. We have had for too long a Minister of Agriculture absent from this house. With the situation in our country, with the cost-price squeeze facing the Canadian farmer, the time has come for this government to wake up and bring in legislation that will be helpful. I repeat that western members and members from all parts of Canada will join with the government, if only it will act to meet immediately the one problem of transcendent importance to agriculture, the dairy problem in our country.

This legislation, the principle of which we accept and the performance of which we have little hope, does not even scratch the area of responsibility of this government in agriculture. It is nothing, as I see it, but a means of endeavouring to lead the people to believe that effective action is being taken. This legislation was promised months ago. I think about July 1 the minister announced that this legislation would be of great importance and that it would be brought in by about July 29. It is being introduced on September 22. No one knows where it was conceived. No one knows what agriculture organization has asked for it. No one knows how it will work. It is simply, as I said to begin with, a measure, grandiloquent in its terms, designed to cover up the fact that masses of promises respecting agriculture were made by members of the Liberal party,

but now they are in office those promises have been dishonoured in the intervening 17 months. Nothing has been done except to increase the credit provided by legislation already on the statute books.

I do not know if this measure will do any harm. I do not believe it will. However, it does not meet the overwhelming need of Canadian agriculture, and that is for action by this government, by a government represented by a minister in the house carrying the legislation through, rather than placing the responsibilities on the estimable shoulders of an hon. gentleman who cannot speak with the authority of a cabinet minister.

Mr. Steven Otto (York East): Mr. Speaker, on this occasion I take great pleasure in taking issue with the right hon. gentleman on some of the remarks he made. That he should say it is improper for the parliamentary secretary to guide this bill through this house indicates the respect which that right hon. gentleman has for parliamentary secretaries, or indeed even the ministers—

Mr. Dinsdale: Mr. Speaker, I wonder if the hon. member will permit a question? Is he aware that when I was parliamentary secretary to the minister of veterans affairs the then Liberal opposition even refused to allow me to guide the estimates through the committee?

Mr. Otto: The atmosphere in the house at that time must have been such that it would have been inconceivable to permit such a thing. I am happy to see that our ministers emphasize, and this government emphasizes the importance of placing responsibility on the shoulders of parliamentary secretaries, and the younger generation of men in this house.

An hon. Member: You know better.

Mr. Otto: I was happy, Mr. Speaker, to hear the young member for Kootenay West (Mr. Herridge) say he considered this to be daring legislation. In fact, what this whole nation needs is to be directed with daring and adventure. It is lucky for us we do not sit down like a bunch of old men, as hon. gentlemen on the other side do and say, take care, take care, do not do this, do not do that. We have to do something. I am pleased to see that the Minister of Agriculture did give the parliamentary secretary the responsibility of guiding this bill through the house. I think it is something that should be repeated in other departments.

An hon. Member: It might be an improvement, at that.

Mr. Otto: The matters pertaining to this bill have been discussed not only by the minister but by the parliamentary secretary, and by many members on this side of the house as well as the other side. It is a matter of concern to everyone. This is not something that was dreamed up by any minister; it was the consensus of many members here who know a great deal about the problems of agriculture.

It cannot be denied that many small farmers work half their lifetime in order to buy new equipment, but no sooner do they buy a piece of equipment at a fantastically high price than it becomes antiquated and is hardly ever used. This bill provides part of the solution because now that equipment can be shared. In many instances farmers want to diversify their activities, but individually they cannot afford the complete purchase price of new equipment necessary for diversification. The syndicate method would be an answer in such cases, and in many others as well. Primarily this is an approach towards an answer, which is much more than the right hon. gentleman ever did when he was on this side.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker—

An hon. Member: Here comes Red Skelton.

Mr. Woolliams: Mr. Speaker, somebody has just called me Red Skelton again. I always like to see the hon. member from Windsor castle here because he is so fond of royalty.

Seriously, Mr. Speaker, it is a little difficult for me to speak at this time following the Leader of the Opposition (Mr. Diefenbaker) because I feel that no man in this house understands the problems of the farmers better than he. I always thought it was most regrettable during the last election, and the one previous to it, that the Liberal party, in order once again to pit class against class, farmers against businessmen, allowed propaganda against the western farmers to be broadcast from the radio and television stations in Toronto—

Mr. Vincent: And in Montreal.

Mr. Woolliams: Yes, and in Montreal, leaving the impression that the previous government was interested only in the program for the western farmer.

I want to say something about the economics of farming. I was born and raised on a western farm homesteaded by my father in 1905, and over the breakfast and dinner

table I heard all about the problems which occurred in the 1920's, the 1930's, and even during the second world war. I have always believed that the law of supply and demand is just as important to the farm community as it is to the business community. When the farmers can get a market for their produce there is prosperity on the western plains.

I think it would be a good thing when considering this legislation, which to me is very nebulous—it is not going to do any harm but it is certainly not going to do any good—to review the early months of this government's tenure in office. It is well to remember that in May 1963 the Minister of Trade and Commerce (Mr. Sharp) went out to Regina and Edmonton and said the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), had made a mistake when he told the farmers to grow more grain. The minister said they should not grow more grain, that there would not be any market for it, and that it would pile up on their farms, just as it did previously under a Liberal administration. In short, he said the former minister made a great mistake in saying to the farmers, "Grow more grain and we will sell it".

Then something happened. The cabinet found out that the previous government had laid the foundation whereby credit was given to communist nations so that they could buy western wheat. That is the important thing to keep in mind. When the Liberals go out west and say, "We are selling your wheat too," it is not the sale of the wheat that is so important. What is important was the setting up of the credit arrangements by the Conservative government, to permit communist countries to buy western grain. Not only did that bring prosperity to western Canada—

Mr. Deputy Speaker: I hesitate to interrupt the hon. member but I am just wondering whether he would not think that the speech he has been making up until now is not too closely related to the bill before the house. I realize his statements are probably introductory in nature, but I would suggest he should get on to the subject matter of the bill.

Mr. Woolliams: I would like to answer that, Mr. Speaker. What I am saying is right in line with the bill because the farmers do not need credit when they have a market for their produce. When they can sell their produce, they themselves produce the capital they need and can go to private institutions to fill the gap. That is why it is important to review this first of all, because we cannot separate the thought and the principle of credit without dealing with market legislation and marketing. I would like to continue in this vein for a few moments because of the relevancy between credits and markets.

At that time the Minister of Trade and Commerce said it was wrong to grow the wheat. Then they got the market in Russia, and yesterday we heard the Minister of Finance (Mr. Gordon) say everything is good in the country, and that there is a boom in progress. Certainly there has been a great improvement, so far as agriculture is concerned, since the Conservative party took office in the late 1950's, and that improvement is reflected today in the general economy of Canada, because when the wheat was sold it increased the gross national product of Canada and thus improved the general economic picture of the country.

During the 1962 and 1963 elections, when the Liberals were pouring out promises to win votes, we Conservative members told the people in our ridings, and elsewhere, that there was a bright economic picture, and that because the gross national product had increased by 6 or 8 per cent there was an uptrend in the economy. Did those farm champions, those cabinet ministers who are absent today, tell the electorate the truth at that time?

The Minister of Finance talked about the great Canadian, the Prime Minister (Mr. Pearson), the greatest living Canadian; but that same Canadian during the election told the farmers at Forest Lawn, in my constituency, that if his party were elected he would set a floor price for wheat at $2 a bushel. That was as much as he knew about agriculture. Hazen Argue had not been able to whisper to him that wheat at Fort William was then selling at $2.06 a bushel. The Prime Minister promised to reduce the price of wheat.

He also told the farmers that when the dollar was down valued they would get less for their produce and therefore would need more credit, but yesterday the Minister of Finance said that devaluing the dollar was the most important thing that led to the uptrend in the economy.

Now when the Liberals have found they have a market they are trying to take the credit for it. We have a travelling Minister of Agriculture (Mr. Hays). Someone said there was nothing wrong in having the parliamentary secretary steer this legislation

through the house. As the farmer says, "Somebody has to do the work. If I am going to sit in town the hired hand has to do the work," that is what is happening here.

As I said in my opening remarks, the law of supply and demand is important. If you have the demand, western Canada can supply it. As a man born and raised in western Canada I am convinced that if there were a food emergency in the world and the call went out, the western plains could produce not 600 million, not 700 million but a billion bushels of wheat, on present day farms with modern equipment.

The reflection of the economy of western Canada on eastern Canada is important. In dealing with credit for the purchase of farm machinery I want to refer to a speech I made on April 23, 1959. In it I gave the example of an average farm in the Bow River riding, and showed that the cost of machinery for it in 1947 was $37,000, while the same machinery cost $57,000 in 1959. In that short period the cost of machinery increased by $20,000, and I shall try to be most fair about this. There has been an uptrend in the cost of machinery. We know that the kind of equipment used on farms has been much improved, and these improvements add to the cost of the machinery but, as the Leader of the Opposition pointed out, the farmer always faces the cost squeeze.

To people who may not be quite familiar with the economics of agriculture, when they drive into a farm and see a big combine, and see this and that, they think everything is fine on the homestead. But the cost of production is ever on the increase; and the government, as pointed out by the Leader of the Opposition, has done nothing to assist the farmer meet the cost squeeze. The only reason the farmers in western Canada are not in difficulty today is that the previous government laid the foundation for the markets for grain which brought prosperity and money to the farmers so they could purchase machines, pay their taxes and the costs of production.

But what has the government done today with regard to these markets? We read today in the farm papers and other papers that the Russian market has gone. The Minister of Agriculture (Mr. Hays) is talking about exporting various kinds of new bulls from Canada; but they will not let them in because of the problem of foot and mouth disease. Has the minister really considered with the Minister of Trade and Commerce (Mr. Sharp) the problem of new markets; because it will take only one year in which to lose the markets that have been established, and the grain will pile up on the farms. The farmers really needed credit in 1956 and 1957, when they could not sell the grain. The previous government unloaded that surplus and laid the foundation for the markets which are now enjoyed by the Liberal government and have bailed them out of trouble, not only in western Canada but economically throughout Canada. That is the picture.

Let us analyse the bill itself. A typical farm today, in order to be an economic unit, must have at least a section, a section and a half or two sections of land in the wheat belts of Alberta and Saskatchewan. Today, with the type of farming that is undertaken, and no doubt with the new kinds of grain scientists have brought out so as to shorten the period in which it will ripen, we are able to harvest the grain earlier. But we have that period in agriculture which we call the sensitivity period, the time when you have to do the work when the sun shines. I do not think this bill will be of any benefit to farmers who wish to purchase harvesting equipment, which is the most expensive type of equipment used on the farm. Last fall at this time I visited my own farm and drove one of those pusher combines which has just been made. It cost $12,000. This type of machine is necessary on the farm, for this reason. At that time the grain was swathed; it had been raining and the grain had started to sprout. When the time comes that the sun shines, you cannot have your neighbour using your combine, you have to be combining yourself —for two reasons; one is to get the grain, and the second is to keep the grade of the grain that is lying in the swath.

Therefore, Mr. Speaker, as far as I am concerned, with regard to harvesting and seeding equipment, or general equipment on the farm in western Canada, this legislation is absolute nonsense. One of the closest friends of Harry Hays, the Minister of Agriculture, said it is absolute nonsense; it will do nothing. As the Leader of the Opposition (Mr. Diefenbaker) said, it is plain window-dressing. They are pretty thin drapes, at that; I am afraid everybody has seen through them. Do you know why this bill is brought in? It is brought in for the benefit of those who are going back to their constituencies, or those who wish to go into Conservative constituencies in western Canada, so they can say, "We at least did something for agriculture while Harry was absent". That is exactly what it is.

I will end with these words, Mr. Speaker. It is harmless; it will not do any harm. I will vote for it because the only thing it might do is this; in order to market the grain in the winter farmers might be able to form a co-operative in order to buy snow-removing equipment so they may get their trucks into town. But as far as doing anything to organize farm machinery in western Canada is concerned, or keeping the family farm that they talk about, it is absolutely useless. They are very strongly in favour of the family farm during an election; but they forget both the family and the farm after the election. This legislation will not do anything for western Canada. The prosperity is there—and I admit it is there—at the present time, and it only exists because of the policies of the previous government. This government is absolutely bankrupt as far as agricultural legislation is concerned. In fact, Mr. Speaker, it is a disgrace that the minister is not here to defend his department in this regard.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, just a word or two about Bill No. C-121, to tell the house that our party is in favour of the bill.

It does not commit the government but, above all, our farmers' credit. As for the government they will only have to take money out of the country's consolidated revenue fund.

Nowadays laws are constantly being passed to create new ways of getting into debt. Such is probably the new basis of our national economy.

Mr. Speaker, when this bill is being considered in committee I will probably have several questions to put to the Minister of Agriculture, but I very much fear that once again he will be conspicuous by his absence as he is this afternoon. I am obliged to make a few comments at this time so that they can at least be recorded if they cannot be answered right now.

We are all very much disappointed on account of the minister being absent when he should be in his seat in the house. If he is inadequately paid I would suggest that we increase his indemnity so that he would at least be present when the government is proposing amendments or legislation pertaining to agriculture and that he would show some interest in the agriculture of this country.

On reading this bill to provide for the extension of credit to farm machinery syndicates, I am wondering whether this legislation will actually be useful in the province of Quebec.

Indeed, we find in the new Quebec farm programs a trend to extend each farmer's acreage. This need became evident when the farm loan legislation was discussed. Indeed, about 60 per cent of all loans were refused in my district because they said the farmers' acreage was too small. Today, our farmers are asked to have twice, or three, and even four times the area of their former land in order to be eligible for all those loans made available by the government.

Apart from those extended acreages, the smallest unit is 300 acres per farmer, we notice something else in the new policies and more particularly when there is forest farming. There are those community projects in Matane and Gaspé; I wonder when we are going to stop setting up community projects in order to come back to the family farm, which is so dear to our fellow citizens.

As I said a moment ago our farmers were asked to enlarge their acreage so as to be eligible for loans. And now that some farmers in my riding have bought four or five lots, which means about 500 acres, in order to negotiate a loan with a view to setting up a herd or buying mechanical equipment they are faced with another piece of legislation which in effect tells them: In future, we shall lend only to farm syndicates.

I know people who had to organize themselves on a family basis to acquire the minimum acreage required by the Farm Credit Corporation.

And, now that the head of the family has called upon his children in order to get enough land to entitle him to a farm loan, he is going to be asked to form a syndicate of at least three members. That means that, in future, three family units who have organized themselves these last few years will have to join together to try and benefit from those loans.

Frankly, I wonder if such a loan is not designed to favour some province other than Quebec. Not being familiar with the situation in the other provinces, I cannot tell whether they have enough of those machine syndicates to allow them to take advantage of the benefits provided for in Bill No. C-121, but I know the province of Quebec quite well and, at the present time, I am sure farmers there are not in a position to form those syndicates of at least three members to benefit immediately from those loans.

Considering the responsibility that will fall upon members of the syndicates as a con-

sequence of this bill, I wonder how that responsibility will be spread among the members.

Let us say that a syndicate has five, six or ten members, even though I doubt very much that such a thing will ever be possible in Quebec. Which of the ten members will carry more responsibility? Would it not have been better to provide in the bill for the issuance of an insurance policy to cover each member's share of the loan. If there were nine or ten members, a single policy would cover them all and on the death of the first one, the whole loan would be repaid. Indeed, I feel that other explanations will be necessary for us to form an opinion as to the responsibility of syndicate members.

For instance, the minister should state—because we will be asked that question in our ridings—who will be responsible, or if each farmer will be responsible, on a *pro rata* basis, for the amount he endorsed. I understood that they assume equal obligations, and since it is always the most solvent who is the most responsible, the whole thing is unfair and unpractical. I am asking my question in that light and, therefore, I claim that it will again be impossible for us in Quebec to get something out of that bill.

We are already having enough trouble with the loans granted by the Farm Credit Corporation; we are having a lot of trouble getting it to accept a small number of the applications made by our farmers who need those loans.

Mr. Speaker, if the investigators called upon to deal with those loans are as strict as those of the Farm Credit Corporation, it should not be expected that this bill will be of any use in my area, because I follow closely the work of those officials and they are much more inclined to refuse loans than to try to help farmers to become eligible for them.

Over 40 per cent of farm owners in my area, that is, former farms that used to yield large crops, had to move to the city because their holdings were too small to meet the needs of their families. Those farms have remained uncultivated for five, 10, 15, and even 20 years. Those farmers are still waiting for government legislation, hoping that with farm credit loans, they will be able to return to those farms and cultivate them again. But, as the inspectors do not seem very much interested in putting those lands back under cultivation, farmers leave them and, sometimes on the advice of the investigators themselves, go to the city and try to sell their land to a finance or a trust company.

Mr. Speaker, I heartily wish that this bill will serve the purpose which the minister likely has in mind, but I think if he had glanced at Quebec, he would have soon realized that this bill would fall short of its objective. In fact, if he wanted to make it useful to Quebec, he would have to rewrite it almost entirely.

Why not pass a bill which would grant a loan to all farmers instead of those syndicates? Why not amend it to enable all farmers to take advantage of the measure? I think that it would be much more logical.

I heard someone from the western provinces talk about this bill and I concluded that if it had been introduced in the abovementioned conditions, it would have been much more beneficial to farmers.

To conclude, I want to say that our farmers do not necessarily need loans, but concrete help. Under our present farming system, a loan is no help. Let us give our farmers what they ask for instead of what they did not ask for. They never asked for loans to purchase farm machinery. They need compensated discounts or subsidies in order to reduce the cost of those machines. That is what our farmers need.

Instead of throwing away millions of dollars to seek to control a small nation in Cyprus, why not use some of those millions for our own people, our farmers, by granting them compensated discounts on farm machinery?

If the sale of farm machinery cannot be controlled, I think the government would nevertheless have a major part to play by conducting inquiries on the cost of that machinery, and I am convinced that it can save for our farmers, from 20 to 25 per cent on the selling price of that machinery, if it would set a limit on the income of those companies, as well as a maximum rate of interest.

In doing so, it would help the farmers and, consequently, the whole of the people. The first duty of a government is to impose limits upon those who are tempted to go beyond them.

Even today, we hear that loans are granted at 30, 35 and even 40 per cent interest, and the government does not dare interfere with these loan sharks. I am wondering what useful purpose does the government serve? If there is one thing against which the farmers and all the Canadian people should be protected it is excessive interest rates.

This does not make sense; and when we ask the government to fix interest rates, to set a limit, it does absolutely nothing.

If a manufacturer or a seller is entitled to make 20, 25 or 30 per cent profit on the sale of an item, it rests with the government to fix a profit margin. But such a suggestion is made to no avail.

The government merely introduces measures such as the one which has just been passed to enable the farmer to get into debt, that is to authorize finance companies to take a tighter hold on him without any government control.

Instead of providing credit facilities for farmers, his cost price should be assured and more particularly, the marketing of his products should be guaranteed. The farmer would not need any loan then because he is no shirker.

Let us facilitate for him the purchase of farm implements at a reasonable cost, instead of forcing him to reimburse two or three times the cost. Let us secure markets for him and it will not be necessary to press him to support his family and develop our farm economy.

[*Text*]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I welcome the opportunity to say a few words in respect of this particular bill, and I shall be brief because I think most of the salient points have been covered by other hon. members. It would be a mistake on my part not to mention the effect of this legislation on the wheat farmers in my riding of Macleod, Alberta, and I limit my remarks to those individuals so there will be no misunderstanding about whom I have in mind.

If more than 1 per cent of all the wheat farmers in my area take advantage of, or benefit by the provisions of this legislation, that would be more than I would expect. This legislation is being advanced by the present government in an attempt to solve the problems with which farmers are faced today, and if less than 1 per cent of wheat farmers benefit, I suggest it will have little or no effect on the farming community of western Canada.

It may well be that several farmers in remote areas will get together and purchase a saw, for example, on a co-operative basis. I understand certain co-operative organizations in Saskatchewan have been purchasing machinery, and they might take advantage of the provisions of this legislation. We have yet to hear the minister clarify the effect of these provisions on the Hutterite farming communities. I am sure we all want that information, so that we can in turn assess the effect the provisions of this legislation will have on different segments of the agricultural economy in this country. I am sure many others across Canada will be seeking information of this kind.

This legislation provides that those individuals who enter into a syndicate for the purposes of obtaining the assistance provided by this legislation will be jointly and severally responsible. In other words, if a man becomes part of a syndicate which obtains assistance through this legislation for the purchase of machinery, he becomes jointly and severally responsible in respect of that obligation. If I have any understanding of farmers and their philosophy, and I think I have, I know that they will not become involved in such a situation. Farmers are not inclined to sign on the dotted line and become responsible for a debt incurred by a syndicate, because they will not risk losing their land. I am sure that most farmers in western Canada who farm on a quarter section, a half section or perhaps even three quarters of a section will hesitate before forming a syndicate and becoming liable for the repayment of $100,000, for example, obtained through the provisions of this legislation for the purchase of new machinery. It is my experience that the farmers in western Canada usually buy second hand machinery which they can repair and use to harvest their crops, but which they can afford to purchase out of their available funds without having to risk having their land and assets attached. Farmers generally are wary of joining syndicates, corporations and organizations of that kind because they know they might lose their shirts.

I might also add that if five farmers formed a syndicate one might prefer to buy a combine, another might prefer to buy a manure spreader and another might want to buy a tractor; but if each one bought a particular machine they could exchange work and in this way get their farm work done rather than setting out to buy farm machinery jointly. In other words, the individualistic approach of the western farmer is going to have a great deal of influence on his thinking so far as joining a syndicate is concerned.

As for supporting the legislation, it provides for loans and may help co-operatives and others. Therefore I certainly will support it. However, the government is barking up the wrong tree if it thinks that this legislation is the solution of the farm problem of western

Canada. This legislation has to do with the provision of credit, and you do not look to credit for the solution of the problem of the farmers of western Canada. Their problem involves prices and markets. We were even told by the second speaker on the bill, a member of the N.D.P., that Liberal members from rural ridings did not support the Minister of Agriculture (Mr. Hays) with regard to this legislation. I have not had time to look into that statement but if it is true, and I believe it is, I wonder what those Liberal members would wish to support.

With all due respect, what we want to protect and perpetuate in this country is the family-size farm. It is the price which the farmer is going to receive for his wheat, his turkeys and other agricultural commodities which will determine whether he can keep his head above water and cope with the situation. The answer is not to give him more credit. If the government could do something to bring down the price of machinery they would be doing something that farmers and everybody else would like to see done, but there is nothing in this legislation that will bring down the price of machinery.

What the government is doing is to lend the farmers more money so they can buy more machinery, but this is no solution at all to the farm problem. Since I am talking to practically empty benches on the Liberal side, which indicates what they think about their agricultural program and the bill now before the house, I do not see that anyone else should be too much concerned. As I have said before, I intend to support the legislation and I hope it will do some good.

Mr. John Mullally (Kings): Mr. Speaker, I intend to speak very briefly on the bill and I am prompted to do so by the remarks of the last speaker who said directly that members on this side of the house do not support the Minister of Agriculture (Mr. Hays) so far as this particular piece of legislation is concerned. I deny that charge and I want to assure the hon. member emphatically that we support this legislation very strongly and have advocated it for a considerable time.

The first time I spoke in the house I made particular mention of legislation of this nature. My thinking on the matter was a little different from what is embodied in the legislation introduced by the minister but I think that it nevertheless accomplishes the same purpose. My idea was probably somewhat involved and would have been rather expensive. I had in mind that the Department of Agriculture would set up machinery banks in the various agricultural areas of the country, where farmers could rent the necessary pieces of machinery from the department at the lowest possible rental charges. I can see that this is a very involved proposition. I believe that the measure now introduced by the Minister of Agriculture will overcome or at least contribute to overcoming one of the very great difficulties facing our farmers, the increasing high cost of machinery, which has tripled in the years since the end of the war. The parliamentary secretary indicated last night that machinery is now costing our farmers $541 million a year.

May I also compliment the parliamentary secretary, the hon. member for Peel (Mr. Beer), who is piloting this legislation through the house. We regret, as hon. members opposite do, that the Minister of Agriculture cannot be with us today. He is attending a very important meeting abroad which I am sure is in the interests of agriculture in this country, and I am certain that the farmers of Canada will benefit from the work he is doing in this connection. While we regret his absence on business of this nature, nevertheless we are very happy that the bill is being so capably handled by a farmer with the experience of the hon. member for Peel, who is able to provide answers to questions that hon. members may wish to ask and can guide this legislation very capably, I am sure.

I am most disappointed at the typically critical, non-constructive and sometimes cynical attitude toward this legislation of some members opposite. I confine that comment to members of the official opposition who have complained bitterly about the inadequacies of the bill and about farm problems in general, but have put forward no constructive suggestions as to what might be done, first to improve the legislation, and second to improve the farm situation generally. We are well aware that there is a serious situation on the farms, particularly in eastern Canada. We know what the basic problem is. I think the leader of the New Democratic party summarized it very well in a speech last week when he dealt with the rising costs of operating a farm, and the decrease in the returns to the farmer from his labours and from the sale of his products. Other hon. members have already referred to this situation today as the cost-price squeeze.

This is the problem, but what is to be done about it? It is very easy to point to the problem and I am very concerned about it, as are all hon. members on this side. I have listened intently throughout this and previous

debates for one constructive suggestion from the opposition as to what might be done, and I have failed to hear one. While it is easy to criticize it is much more difficult to offer constructive suggestions and put forward ideas that can be enacted into legislation for the benefit of farmers in all parts of Canada.

I am also disappointed and somewhat disturbed by the attitude of members of the official opposition in indicating very strongly, it seemed to me, that our farmers are a group of people who cannot co-operate or work together. I deny that most emphatically. I was raised on a farm and have seen farmers work together. I cannot think of any occupational group of people who work together as well as farmers do, who share their machinery, plant their crops and harvest together. In fact, not only with regard to their agricultural problems but in their other pursuits and indeed, in every phase of life they work closely together, and I am most disappointed that members of the opposition would suggest, as they have almost invariably in speaking to the bill, that our farmers are a group of people who absolutely cannot take advantage of this legislation for the simple reason that they are selfish individuals who cannot work co-operatively for their own benefit, for the welfare of their industry and the common good of all farmers.

I am not going to enter into a discussion with the right hon. Leader of the Opposition (Mr. Diefenbaker) or some of the other members who spoke on all phases of agriculture, particularly in eastern Canada. The Leader of the Opposition had a very good opportunity yesterday to test the confidence of parliament in the matter of eastern agriculture or agriculture in general, but he passed up that opportunity. I think that if he had something to offer, some criticism to make, yesterday was the time to do so. Today he should have confined his remarks more closely to the matter under discussion.

The other point which has been raised consistently by speakers from the opposite side has been the suggestion that this legislation will help only the large farmers. They seem to be gravely concerned that this government, and the minister, is interested in helping only the large farmer. Possibly they represent the large farmers, but in my part of the country we have many small farmers, and I think this is the situation in much of eastern Canada. I feel this legislation will do the exact opposite of what they have suggested, and that it will be of real benefit to the small farmer. The large farmer does not have to depend on it; he has personal resources from which he can buy the type of machinery he needs most. The small farmer is not in such a favourable position. He must depend upon sources of credit such as are provided by this legislation in order to enable him to work in co-operation with his fellow farmers and purchase the type of machinery he requires. I think this is a very good piece of legislation—not perfect of course, but it is something new, something revolutionary, something farsighted, which members opposite can never see. It is something which will eventually, perhaps with improvement as may become necessary, benefit the small farmers of this country.

It has been suggested, Mr. Speaker, that the farmers of Canada are not concerned about additional credit. I should like to refer for a moment to a brief which was submitted by the Canadian Federation of Agriculture to the Prime Minister of Canada and the members of the cabinet on February 26. On the matter of farm credit, the federation stated, in part, as follows:

> The federation, at the federal-provincial agricultural conference in December of last year, made a number of submissions on farm credit to the government, urging in general much more intensive attention to farm credit needs, and the development of new programs. We will not repeat those representations here in full. In resolutions from our members, however, delegates to our annual meeting laid special emphasis on three immediate needs, which we would draw to your attention for early action:
>
> First, they reiterated our long standing request for special disaster loan legislation.

I need not tell hon. gentlemen that this is the very type of legislation which we have introduced, and which is already in the resolution stage. I refer to the crop reinsurance measure. This will provide one of the requests of the Canadian Federation of Agriculture.

Their second request was as follows:

> Second, the loan limit of the Farm Credit Corporation should be raised to $50,000.

We were even more generous than the Canadian Federation of Agriculture thought we should be. We raised it to $55,000. I continue to quote:

> Third, the loan limit on farm machinery under the Farm Improvement Loans Act should be raised to $10,000—

Again, we were more generous than requested. We have raised the limit to $15,000.

Finally the federation said:

> May we repeat that we feel well developed, flexible credit services to meet farm needs are

of utmost importance and deserve more intensive investigation and research than they have received in the past.

I think this measure answers very thoroughly the concern of Canadian farm people in having better sources of capital available to finance their varied farm activities, particularly in relation to one of the most difficult aspects of agriculture farmers have faced in recent years, the high cost of farm machinery.

I believe I have concluded what I wanted to say in this connection. I do not believe anyone would suggest this is a perfect piece of legislation. It is something new and something which I believe may be improved as experience dictates from time to time. There are two things which, from a personal point of view, I should like to see changed. I would prefer to see a fixed interest rate rather than a flexible one, which varies according to the cost of money at any particular time. I should like to see the service charge of 1 per cent eliminated. I feel that as a country we are not doing as much for agriculture as other countries are doing, and I think particularly of the United States, Great Britain and many European countries. The amount of money we contribute as a percentage of our budget or as a percentage of our total agricultural production, certainly is not comparable to the amount provided in other countries. I think the government should absorb the cost of servicing these loans and we should establish a fixed interest rate.

I mentioned that my original conception of this legislation was somewhat different from the measure the minister has introduced. I want to state emphatically that we on this side unanimously support this particular piece of legislation. We strongly support the minister. We have discussed it. We have advocated it and we feel it is a measure that will benefit farmers in all parts of Canada. If the farmers in some parts of Canada are too prosperous to take advantage of it, I can assure the house there are many farmers in eastern Canada who will be very happy to take advantage of it and I feel they will benefit immeasurably from it.

Mr. E. Nasserden (Rosthern): In rising to speak on the principle of this bill following the remarks of the hon. member for Kings (Mr. Mullally), I should like to refer to some of the things he mentioned. He asked certain questions and I will be only too glad to try to answer them. I should like to draw my answers from a document with which I am sure he is familiar. The caption is "A square deal for farmers". This is a pamphlet put out by the Liberal party in 1962, wherein they said they had all the answers.

This pamphlet sets forth the basic problem. It is stated that the basic farm problem is the cost-price squeeze on the farmer's income. This is an important thing to remember when we are considering this bill, which is to provide credit for the purchase of farm machinery by syndicates. The other point that should be raised at this time, Mr. Speaker, is the fact that this bill provides for setting aside $25 million for the purposes embodied in the bill. I should like to refer hon. members opposite to the fact that the estimates of the Department of Agriculture for this fiscal year amount to only $140 million. This measure apparently is so important it will require $25 million of the funds of this country in order to achieve the purposes for which this measure is designed and which, in my opinion, will affect less than 1 per cent of the Canadian farmers.

Those who want to know what could be done now for the farmers by way of legislation should look at the promises embodied in this election leaflet that was put out by hon. members opposite. I am just going to mention a few of those promises. These are some of the pledges made by the government and which were never fulfilled. In fact, no indication has been given that the government wants to move along these particular lines. First of all, you may think of the accelerated depreciation on farm machinery that was promised. You may think of the consumer subsidy that was promised on wheat going into domestic consumption. I think too of those promises that were made with regard to the stabilization act. What happened to the egg producers on the prairies during the last few months? I think too of the crop insurance legislation to which the hon. member referred when he mentioned disasters. The legislation to compensate for disaster promised by the government has nothing to do with the crop insurance legislation already on the statute books, and we have had no indication from the government of any legislation over and above the crop insurance legislation already enacted.

I also think of the impetus that could be given to ARDA in the areas where it applies. Mention was made today of the dairy problem in eastern Canada, and there was another promise made with regard to unemployment insurance for farm workers. That promise has been denied by the ministry and indications are that nothing will be done in

that regard. I could go on through this long list of promises, and hardly one has been touched upon by the administration.

Rosthern constituency probably has more small farms in it than any other riding in Canada. I can assure you, Mr. Speaker, this bill is one of the most useless pieces of legislation ever to come before parliament. I am opposed to the principle contained in the bill. I believe it is a dangerous piece of legislation and that its very terms are a denial of the things the minister himself stated on so many occasions during the past several months, when he said the primary aim of his department would be to try to meet the problem of the farm machinery cost-price squeeze.

This bill does not lower the price of farm machinery. When one considers that $25 million is being set aside by this measure, and when one thinks of all the other things that could be done for farm people, and for people in other walks of life, with that $25 million, there can be no other conclusion but that there should be much more important legislation to present than this bill. I am going to oppose it because I believe it is wrong and because I believe farm people will be unable to use its provisions to any great extent.

The hon. member for York East (Mr. Otto) said we have got to do something. That is the thinking across the aisle. They know they have to do something because they have not done anything so far. No one can deny that the Minister of Agriculture promised the farmers he would do something about the high price of farm machinery, but this bill will not in any appreciable way overcome that problem.

I believe this measure will encourage those speculative influences in agriculture that are likely to accelerate the destruction of the family farm. I am sure the speculators in western Canada will be much more interested in this measure than will farm people. It is an unthinkable thing that we are going to channel $25 million into this type of operation, after all the other legislation we have tried to enact over the years to help the family farm.

While there may be some—and their numbers will be limited—who will be able to use this legislation, its over-all effect will be to the detriment of the agricultural industry and it will be a retrograde step so far as farmers from one end of Canada to the other are concerned. Some have said this is daring legislation: I say it is foolhardy legislation.

To think we were told during the so-called flag debate that we were holding up something that was of importance, and now to be presented with this bill just reinforces the comments I made on the resolution stage when I said this was one of the weakest measures ever brought before parliament on behalf of the agricultural industry.

[Mr. Nasserden.]

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

Mr. G. W. Baldwin (Peace River): I just want to make one observation in reply to the hon. member for Kings (Mr. Mullally) who asked a very pertinent question on why the official opposition did not take the opportunity presented on the supply motion to challenge the government by bringing forward a motion of non-confidence. It is very simply answered by the fact that in May this year, on a supply motion, such a motion of non-confidence dealing with the problems of eastern agriculture, was presented, and on that motion the hon. gentleman himself spoke and made quite a worth-while contribution.

Members on the government side substantially voted against the motion of non-confidence and the official opposition, as well as all the other opposition parties, are now prohibited by the rules from presenting such a motion. It is impossible for the opposition parties to introduce it at this time.

Mr. Mullally: I thank the hon. gentleman.

Mr. Beer: Mr. Speaker—

Mr. Deputy Speaker: Order. If the parliamentary secretary speaks now he will close the debate.

Mr. Beer: Mr. Speaker, it is not my intention to close the debate. I simply want to observe that a number of questions have been asked and that the minister is expected to arrive for the eight o'clock reconvening of the house. I am sure he would like to have the opportunity at that time to answer these questions and to explain the bill further. So without regarding this as replying to the debate, may I call it six o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty pursuant to standing order 39A to inform the house that the questions to be raised at ten o'clock on the adjournment are as follows: the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp)—agriculture—poultry—inquiry as to steps to maintain prices.

[*Translation*]

The hon. member for Lotbinière (Mr. Choquette)—grants requested for the 1966 Quebec festival.

[*Text*]

Third, the hon. member for Regina City (Mr. More)—external affairs—appointment of Russian professor at University of Saskatchewan.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FINANCE

ANNOUNCEMENT RESPECTING BROADENING OF INVESTMENT POWERS OF INSURANCE, TRUST AND LOAN COMPANIES—RETENTION OF CANADIAN CONTROL

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I wonder if I might have the consent of the house to revert to motions.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Gordon: I have asked permission to revert to motions at this time in order to make an announcement that should be made when financial markets are closed. It is my intention to introduce tomorrow a bill to amend certain acts administered in the department of insurance. This bill would amend the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act, the Trust Companies Act and the Loan Companies Act.

In my budget speech earlier this year I mentioned the government's intention to broaden the investment powers of insurance companies particularly in relation to investment in common shares in order to bring about an expanded Canadian market for shares of Canadian corporations; this was related to other steps being taken to encourage increased Canadian ownership of Canadian companies.

It has been evident for several years that there has been increasing concern about the problem of retaining Canadian ownership and control of Canadian enterprises and in particular of our financial institutions. The report of the royal commission on Canada's economic prospects recommended measures designed to retain control in Canada of these institutions. The report of the royal commission on banking and finance published earlier this year also expressed concern about Canadian control of our financial institutions, particularly of banks. In 1957 there were amendments to the Canadian and British Insurance Companies Act with this objective in mind for life insurance companies.

But it is clear that the steps so far taken, while they have been effective to a degree, do not go far enough to provide assurance that we can retain an adequate measure of Canadian control over our institutions. The bill to be introduced tomorrow contains the amendments to investment powers referred to in my budget speech and, in addition, an amendment designed to retain in Canada control of those federally incorporated life insurance, trust and loan companies that remain in Canadian hands.

It will be proposed that the investment powers of insurance companies, trust companies and loan companies be amended particularly with relation to common shares. The limit on the investment in common shares would be raised from 15 per cent of a company's assets to 25 per cent and the eligibility provisions for common shares would be broadened.

A number of other changes are included, perhaps the most important being a change in the limit on mortgage loans to permit companies to lend up to 75 per cent of the value of the real estate instead of 66⅔ per cent as at present. The power of insurance companies to invest in real estate would be broadened and life insurance companies would be permitted to own subsidiary life insurance companies in foreign fields, subsidiary fire and casualty insurance companies in Canada and subsidiary real estate companies. For loan and trust companies, the limit on the amount that may be borrowed by a loan company or accepted in trust for investment by a trust company would be modified.

The other principal purpose of the bill, as I have already indicated, is to limit the extent to which non-residents may own and vote shares of the capital stock of federally incorporated Canadian life insurance companies, trust companies and loan companies. The bill would limit the total number of shares of the capital stock of a company that may be held by all non-residents taken together, to 25 per cent of the total number of issued shares, and would limit the number of shares that may be held by any one non-resident to 10 per cent of the total num-

ber of issued shares; shares held by shareholders associated with the non-resident also would be taken into account in determining the 10 per cent limit.

The proposals would not prevent shares being registered in the name of a Canadian resident where a non-resident is the beneficial owner, but in such cases no one would be permitted to exercise the voting rights pertaining to the shares so held.

No one would be permitted to exercise the voting rights pertaining to shares held directly by a non-resident or held for him by nominees if the total of the shares so held together with the shares held by or for shareholders associated with the non-resident exceeds 10 per cent of the issued shares of the company.

In order to prevent the purpose of the legislation from being defeated by transfers of shares between the date the bill is introduced and the date the legislation comes into force, and at the same time to avoid interfering with existing voting rights, the legislation would establish midnight tonight as a significant point of time in three respects. First, it will be proposed that if the directors of a company allow the entry in the company's books of any transfer of outstanding shares or allotment of newly issued shares to a non-resident after today that would increase the number of shares held by non-residents beyond 25 per cent of the total number of issued shares, no one will be permitted to exercise the voting rights pertaining to the shares so transferred or allotted so long as they continue to be held by or for a non-resident. In the case of a company that today has more than 25 per cent of its issued shares held by non-residents, this suspension of voting rights would apply only to transfers or allotments of shares that would increase the proportion of shares held by non-residents, but the voting rights pertaining to shares now held by non-residents would not be disturbed.

Second, the prohibition against the exercising of voting rights, applicable in the case of any holding of shares by or for a non-resident and associated shareholders that exceeds 10 per cent of the issued shares, would not apply to any such holdings that now exist. However, this exemption would cease if any such holding is increased after today.

Third, if more than 50 per cent of the shares of a company are, today, held by or for one non-resident, that company would be exempt from these limitations on the transfer of shares and the exercise of voting rights so long as that condition continues to exist.

[Mr. Gordon.]

I wish to remove any uncertainty which might otherwise exist following the introduction of this bill as to what will be proposed in the bills to amend the bank acts to be introduced later, concerning non-resident ownership and control. Provisions relating to this matter similar to those set forth in clause 3 of the bill to be introduced tomorrow and already described by me in this statement will be included in the bills to amend the bank acts, and these would also be effective after today to the extent that I have indicated for insurance, trust and loan companies.

I also want to make it clear that the proposals relating to non-resident ownership and control will not affect the great majority of normal market transactions in the shares of the institutions concerned. If trading is for resident ownership, these transactions are not affected at all. Transfers of shares between non-residents also will not be affected unless the transfer would cause a non-resident together with associated shareholders to own more than 10 per cent of the total number of issued shares.

Hon. Marcel Lambert (Edmonton West): This statement by the Minister of Finance has, of course, very wide implications, first in the investment field with regard to the powers of investment of trust companies and also in the much more complicated area of the ownership of financial institutions such as life insurance companies, trust and loan companies and banks.

I recall back in 1957 the measures brought in by the minister of finance at that time to prevent through mutualization, the capture of Canadian life insurance companies by foreign companies, if they were subject to take-over attempts. However these measures never prevented the gradual buying-in of these institutions, and I think it is this practice that the minister is trying to curb at the present time. Subject to what we may have to say when we see the bill and have considered all its implications, I think we must commend the government generally on this attempt. This is very complicated legislation as we can see from the conditions which will apply as described on pages two and three of the statement. I think I will reserve my remarks on the complexities of the measure until we see the legislation, except to mention that it has some of the complexity of certain anterior legislation which was presented to us and which has not worked out so well.

As I see it, the measure proposed will certainly not bring back some of our major life insurance companies which have been taken over, companies where more than a 50 per cent interest is owned by foreign investors. I think the third paragraph on page three covers that situation; it will remain undisturbed.

There is one point I should like to draw to the attention of hon. members. Insurance companies are to be given additional powers to invest in real estate and they will also be able to invest in subsidiary fire and casualty insurance companies in Canada, as well as in subsidiary life insurance companies. I think this is right, because our companies, particularly our fire and casualty companies, have gradually been taken over one by one by foreign owned concerns who have possessed this power while our own people, who frankly could have done so, were prevented by law from so doing.

One cautionary note I would raise relates to investment in subsidiary real estate companies. If these are merely realty holding companies for the purchase of a company's own premises, then it is not so bad. But I would not like to see this provision used as a means of involvement in speculative estate companies, because if there is anything which will get the reserves of a financial concern into a real mess it's having them tied up in real estate. We need only go back to the early thirties to be reminded of the position of United States financial institutions in this regard.

I feel that any further comment at this time would be superfluous; we will await the introduction of the legislation before making any further comment. However it seems to me that generally this represents a move in the direction taken by the minister's immediate predecessor but one.

Mr. Colin Cameron (Nanimo-Cowichan-The Islands): I think every member of the house will commend the minister on his purpose in bringing forward this legislation. We may have some doubts as to how efficacious its provisions are likely to be but I am sure no one will object to the objectives of this particular measure.

I am concerned about some of the administrative difficulties which may be involved in policing this legislation. I can foresee a number of difficulties in enforcing it. It may be they are not as serious as I think they are, but I should be glad to hear the minister explain later how it is intended to supervise these provisions.

We have, of course, been losing insurance companies right and left to investors next door, and I have not been able to make up my mind about this paragraph on page three regarding companies of whose shares 50 per cent or more are owned by non-residents. The implications of the exclusion of these companies from the legislation are not yet clear to me. It seems to me there may be many cases in which non-resident ownership may be slightly over 50 per cent and there is no reason why they should not be subject to this legislation. It may be, of course, there is some reason which escapes me at the moment.

However, I would think that eventually, if the minister really hopes to repossess Canadians of their financial institutions and prevent any further alienation, he may have to consider the possibility of using the apparently moribund Canadian development corporation as a means of generating public investment in such concerns in order to ensure their continued Canadian ownership. Of course, I am not yet sure what will happen, but I should like to think that the Canadian pension plan may provide some of the funds, through the Canadian development corporation, for such a development.

I am not sure how effective the prohibition of voting rights will be in some cases. While the votes may not be cast by some people whom the minister wishes to exclude, I suspect that their influence will be sufficient to have the acceptable votes cast in the way they wish it to be done. However, we shall have to wait until the text of the bill is before us for study. In the meantime I will conclude by saying again that we must commend the minister's efforts. He is still pursuing his goal with commendable perseverance in spite of some mishaps in the past, and I sincerely hope he will not meet with any mishaps on this occasion. We shall have more to say when the bill comes before us.

Mr. Bert Leboe (Cariboo): I wish to say only that we shall be very interested in seeing this legislation. Indeed, until it is brought before us I do not think there is anything further which needs to be said.

We hope that when we come to consider the revision of the bank acts, however, we shall find that certain financial institutions now excluded will be able to make mortgage loans so as to help prevent the alienation of our resources which has taken place in the past, due to the fact that the banks of this country have been unable to extend loans on the basis

of first mortgages. I think this is most important.

With those few remarks, Mr. Speaker, I will just say that we will be interested to see what the legislation has to offer when it is before us.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, when we are handed a copy of a statement, such as the one the Minister of Finance (Mr. Gordon) made, only a few moments before the minister takes the floor, it is obviously far more difficult to make any comments than when we can study a document for a number of days. I would nevertheless like to make a few remarks about this statement.

The object is to try to maintain at least some of the control we have over our investments and our economy and, if possible, to increase Canadian control.

To achieve that purpose, the Minister of Finance intends to make changes in order to facilitate investments by Canadian insurance and loan companies as well as trust companies. By the same token, it would be more difficult for those insurance, loan and trust companies, which are not Canadian residents to make investments in our Canadian economy.

We are thus trying to dry up somewhat sources of capital from foreign companies.

Has the minister provided for new domestic sources of capital to replace capital coming from foreign insurance, loan and trust companies? For it is obvious that if one source of capital is being limited in a country, in a developing country like Canada, other sources of capital will have to be found to fill the gap.

Does the Minister of Finance feel that under the system he now proposes to introduce Canadian companies alone will be able to discharge the obligations they assumed in the past and, at the same time, replace the capital provided by foreign companies?

Does the minister expect another source of capital to replace the foreign investments which will now be more strictly regulated? In my opinion, that is a point which deserves serious consideration.

We are in favour of investments by Canadian companies but, considering the needs of our expanding economy, if a source of foreign capital is sealed off, the Minister of Finance must think about getting the necessary capital elsewhere.

As far as we are concerned we have suggested several sources to him, and we hope that some day he will accept one of our suggestions.

Mr. Speaker, one of my colleagues calls my attention to the fact that if those investment sources coming from foreign companies are cut off, there remains the government of British Columbia with Canadian capital to lend in order to promote the economic development of our country. Besides, Alberta is also in the same position. It may be that the Minister of Finance is depending on those two Social Credit provinces to replace the capital which used to come from foreign insurance, loan or trust companies. Fortunately, he can depend on those two Social Credit governments in Canada to replace those foreign sources of investment capital.

The second point I wish to bring to the attention of the house concerns the provisions of the act giving those companies powers to invest 15 per cent in other companies or to buy common shares of other companies. Under the new legislation announced by the minister, that proportion would be increased to 25 per cent. But, in this case, according to what the Minister of Finance just stated, this same increase from 15 to 25 per cent to be allowed in future for those trust, insurance or loan companies to buy common shares will apply to foreign companies as well as to Canadian firms.

Did the minister figure out the proportion of foreign insurance, loan and trust companies which will benefit from this increase from 15 to 25 per cent?

Mention is made of the fact that the voting right will be given to 10 per cent only of the shareholders, but we find today a certain attitude among the directors of foreign companies. As a matter of fact, some directors of foreign companies doing business in Canada have made it their practice to let the voting of shares to Canadians. They are satisfied with going back to their respective countries with the profits.

Will the mere fact of depriving the voting rights of shareholders who own too large a percentage of shares be sufficient to limit their investments or their purchase of shares in such insurance, loan or trust companies? In my opinion the present trend proves the contrary.

A third point to which I call the attention of the house is that the Minister of Finance has just announced that mortgage loan companies will now be authorized to lend up to 75 per cent of the real estate value, instead if 66⅔ per cent.

I hope that in his new bill the Minister of Finance gave some thought to limiting the rise of interest rates on those loans, because we must admit that there is now a greater risk, since the loan company will be entitled to lend up to 75 per cent, instead of 66⅔ per cent of the real estate value. Therefore, it would be appropriate to see to it that interest on mortgage loans, which is already quite high, be not further increased by this bill.

Mr. Speaker, all the Minister of Finance just told us will certainly be of interest to several committees. There is the loan question which is of interest to the consumers credit committee, the matter of the Bank Act amendment, which concerns the proposed committee to study the Porter report; then, there is the committee to be set up on the new Bank Act.

I therefore hope that those new bills will be referred to the various committees, so that hon. members of this house may discuss them further and question experts in those fields, in order that they may be in a better position in future to suggest proper amendments.

[*Text*]

Mr. Deputy Speaker: Order. The house will now resume the business interrupted at six o'clock.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed consideration of the motion of Mr. Hays for the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to take part in the debate on Bill C-121 I must first of all point out that at the time this bill was in the resolution stage I had many fears in respect of what it might do for Canadian agriculture, and many fears as to what it would do to the family farm position in this country. At that time I was assured by the minister that all my questions and fears were without foundation and would be dispelled when the bill was brought forward. We now have the bill, and as far as I am concerned I still see cause for questions and fears in respect of this supposed syndicate legislation.

There is no question but that today's agricultural picture represents a very important part of Canada's economy, and that money and management are the keys to agricultural success. Perhaps 20 or 30 years ago hard labour and long hours might well have been written in the record as being the key words to success on a farm. Today money and management might be said to be the two key factors in promoting and ensuring success on the farm. But as legislators we must ask ourselves what type of agriculture we are promoting. What types of farms do we foresee in the future? Several different pictures could be painted, one not necessarily in contradiction of the other, but nevertheless different modes of agricultural life exist in the world today. We look at Canada where we have a free enterprise type of agriculture, a personalized type of management in the operation of farms throughout Canada, with every farmer working and managing his own farm, looking after his own machinery and achieving one of the highest degrees of productivity throughout the world.

From time to time people take tours of Canada to study our agriculture. Not very long ago the Russian minister of agriculture toured Canada in an effort to ascertain why we were so successful in this country while they were not. What type of agriculture do we have in this country? As I pointed out, we have personalized management, a personal concern for profits, a personal effort on the part of the owner to make sure that he makes a comfortable living and is able to sustain himself. What type of agriculture does Russia have? One might say it is collective, one might say it is managed, but one can also say it is a syndicated type of operation for the welfare of the state and not necessarily for the welfare of the individual.

How much different is that from what this legislation will promote? This legislation establishes syndicates which will benefit the managers, but will it necessarily benefit the workers? How different is what this type of legislation promotes from the type of agriculture carried on in Russia today? Farms in that country are managed by the state and under this definition they would be syndicates with the workers taking care of the machinery.

In an article in a rural paper in western Canada the minister of agriculture from the U.S.S.R. pointed out that they have difficulties in that country because farm machinery is not looked after and the operators do not care because they do not own it. He said that he thought there was a difference. The minister and those with him visited farms in Saskatchewan and Manitoba where there were tractors and other machinery 10 years

old and they wondered why they were in such good condition. The answer they were given was: "It is mine, I look after it". That is the key to the management of farms across Canada today. How will that be promoted and extended by this legislation?

Mr. Moreau: Will the hon. member permit a question?

Mr. Horner (Acadia): Dandy; shoot.

Mr. Moreau: Does he see any element of compulsion in this legislation? Does anyone have to take part who does not want to?

Mr. Horner (Acadia): In the economic climate of today the compulsion arises in that if a farmer is not able to survive today on a small farm he may be enticed into a syndicate and he may end up a worker with a manager managing him and the machinery. That is the compulsive aspect of this legislation. It offers very little to the small farmer other than to entice him into something he may feel is better than he now has, but 10 years from now he will wake up having lost what he now has and with a sore back besides.

I have looked at the bill very closely, Mr. Speaker. I studied it over the week end and thought about it a great deal. I am a practising farmer and I realize the important part that money plays in the agricultural world today. I want to see as much money as possible made available to farmers across Canada. I read in the Lethbridge *Herald* that this legislation was going to revolutionize the agricultural economy and reduce machinery costs. This was the advance billing for this legislation, but I wonder how it is going to reduce costs and how it is going to revolutionize the agricultural economy?

It must be borne in mind that first of all as I take my place in this house I am a legislator. Today in this debate I am concerned with agriculture. How is this measure going to revolutionize the agricultural economy? I fear syndicate farming. As a practising farmer nothing has annoyed me more than to see neighbouring farms in my district being managed by non-resident farmers, by someone living in the city. I say that the land is for those who love it. The land is for those who are prepared to work, not for a syndicate, not for a manager and not for the state as in Russia where they have syndicate farms. Let us beware of this proposed legislation.

Before anyone goes astray let me say with regard to the co-operative buying of machinery that on my own farm I now have five pieces of machinery which I own jointly with my neighbours. This is fine. It works out well. But they are all small pieces of machinery which are not needed for any specific time in the cycle of work being done on the farm. They can be used this week or the week after. There is no urgent requirement. That type of machine can be bought co-operatively, but in most cases such machines are not too expensive, so few farmers really need to form a syndicate to purchase them.

Let us look at farm machinery costs today. I believe that in 1963 something like $228 million was spent for the purchase of farm machinery. Let us analyse that a bit. Fifty per cent of that amount was spent on tractors. We know the type of tractor the minister likes. He told us all about it one time in Alberta. I think it was a 1928 model. But that is not the solution for today's farming. Most farmers across Canada own more than one tractor. Look at the statistics, if you doubt it. Fifty per cent of the money spent on farm machinery is spent on tractors. Many farmers across Canada have three of four tractors and most have more than one. Therefore very few farmers are going to form a syndicate for the purchase of tractors.

If we go down the list we find that harvesting equipment represents something like 25 per cent of the total machinery cost. The rest is split up among seeding and tillage implements, dairying equipment and so on. What I am trying to point out is that so far as the machines used in the daily agricultural life of most farmers are concerned you do not have to form a syndicate to buy them. To what machines would this legislation apply and whom would it benefit? These are the two points with which we must concern ourselves. To deal first with who will benefit from this legislation, I have read the remarks of the parliamentary secretary in which he said that he feels this legislation will benefit small farmers just as much as big farmers. I fail to see this because it is stated quite clearly in the bill that on syndicate loans a promissory note must be signed by each person in the syndicate accepting full responsibility for the full amount borrowed. Surely this points up, Mr. Speaker, that no small farmer is going to mortgage his family farm simply for the benefit of four or five other persons who want to enter into a syndicate. This is what the small farmer will have to put on the line. I feel that the legislation will only help large farmers. By far the greatest amount of the help will go to the large farmers and a certain amount to the person who has used up all other available credit who is in the position

that he still finds himself short of money and the investments he has made, while the very best, have not yet started to make any returns to him. He still needs more credit in order to earn his livelihood. He will then turn to this piece of legislation and use this method of borrowing money because he will have used up all the credit available elsewhere. This will be another avenue through which he hopes to be successful. These are the two types of people I feel will be making the greatest use of this piece of legislation.

During the course of the discussion at the resolution stage, I asked the minister to define this term "farm machinery". According to Webster's dictionary machinery is defined as the assemblage of contrivances employed in the development of a piece of work. This would cover nearly all machinery. I am sure that many legal minds could be turned to the question of the definition of farm machinery. Certainly in the agricultural field as we see it today we know that one could have a small piece of land and spend a great deal of money intensifying the development of that piece of land, or one could turn his thoughts to buying more land and thereby, in a broad sense of the term, give himself more machinery to increase his income. The parliamentary secretary stated that he realized that this would be a point at which a definition would have to be made clear. He said however this would be left to the regulation stage.

I do not feel that is good enough. I feel that before we are asked to pass this bill the terms pertaining to it should be clearly defined. These definitions should not be left to the officials, and that is what the parliamentary secretary meant when he said they would be left to the regulation stage. This is not good enough. The term "farm machinery" has so far eluded definition in so far as legislation before this house has been concerned. We see farm machinery defined in the tariff act. We see farm machinery defined in many other pieces of legislation, and every definition is slightly different. Farm machinery, in the broad sense, is supposed to be duty free, yet many pieces of farm machinery used in agriculture today carry a duty. The 11 per cent sales tax is paid on some farm machinery, although it was understood farm machinery was exempt from the 11 per cent sales tax. This results from the fact there is no precise over-all definition of farm machinery.

When I looked at this bill I did not see any definition of this term. I thought perhaps I had missed some of the remarks made by the minister or someone else. I looked for some definition of these words but failed to find it. The only reference I found was that we would leave it to the regulations. Are we to pass something blind? Are we to pass something without knowing what we are doing? Certainly I do not believe we should. This bill which seems to contain a suggestion for the promotion of syndicate farming, non-resident farming, may well get everybody into the farming business. This happened a few years ago in the United States. Everyone who had a little money to spare invested in land in the southern states. They plowed it up and grew wheat. This was in the early fifties. From that year on, they have had a surplus of wheat and the land has blown completely out of the country. Large machines were used to plow up tremendous acreages, and the dust bowl of northern Texas and most of the southern states was created because big business got into farming and did not give any consideration to the land which was farmed. Most farmers today use fertilizers. They protect their land so that their sons and their son's children may earn a living from the land. They are building for the future and do not want to deplete the land.

What will happen to his particular theme when the syndicates take over? Will they be interested in the future of the land? Will they be interested in depleting the soil or replenishing the soil? I say, Mr. Speaker and fellow members, before we pass this bill this question should be answered. You can pick up any farm magazine you want across Canada, whether it be concerned with eastern agriculture or western agriculture, and you will find the theme is to maintain your basic asset. We, through this government, supply assistance for the supply of lime to replenish the soil in eastern Canada and we do relatively the same thing for western agriculture. Our prime concern is to maintain our basic asset which we are so fortunate to have in this country. Certainly, our land is our big asset. What effect will syndicate farming have on this natural asset?

There are those who feel that this bill will help the small farmer. How will it help the small farmer? We have just passed in this house amendments to the Farm Improvement Loans Act permitting a farmer to borrow up to $15,000 at 5 per cent interest. Why will the small farmer not use this piece of legislation rather than use the measure we are discussing now to borrow money at 6¼ per cent or even 7 per cent? No, Mr. Speaker, you come back to my original thought that

those who will use this piece of legislation have used all their credit elsewhere and will view this as another avenue which may afford one ray of hope to enable them to be a success in the business world.

What will it do to reduce the cost of machinery? One may well say that it will allow a certain machine to spread itself over more acreage, thereby reducing the cost of the machine per acre. If this theory really held true, one could only come to the conclusion that Russia, with its communes, must be very successful. They buy machines for the optimum amount of use. The Russian minister of agriculture pointed this out quite vividly while touring Canada. I noticed a report of his conversation with one farmer who was using a tractor that was 10 or 11 years old. The Russian minister of agriculture asked how it happened the machine was in such good condition. The farmer replied that it was his and he looked after it.

I notice a provision in the bill to the effect that arrangements for repairs must be clearly set out in advance before the syndicate is set up. No one can foretell when a certain machine will break down or why it will break down. The fault may have been building up over the years. It is difficult to assess who does the greatest amount of damage to a machine and who should repair it. In my experience of operating and maintaining five different implements with my neighbours, we have had no trouble in this regard. But if those machines were costly, and were bought for something like $75,000, $80,000 or $90,000, we might quibble long and hard over where a machine should be repaired and who should pay for the repairs.

Many farmers may look upon this bill as a ray of hope to alleviate their problems brought about by being situated in an uneconomic farming area where the agricultural business they carry on is not economic itself. They may form syndicates and give the lawyers lots of business, but in a few years they may well find themselves disappointed. This is no solution to the agricultural problem.

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

Mr. Horner (Acadia): Certainly.

Mr. Roxburgh: I am just wondering whether the hon. member for Acadia (Mr. Horner) is against this bill?

Mr. Horner (Acadia): The hon. member's curiosity will be satisfied in due course. I am in the process of making up my mind. I see many things in this legislation to which I am opposed, and unless the minister can allay my fears that this will not promote the type of agriculture I do not like I will vote against it.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): Why should I, as a farming legislator, support something that I do not think is going to maintain the type of agriculture in which I believe? I ask the hon. member, and all other hon. members on that side of the house who represent rural constituencies, to take this bill home tonight and ask themselves, will it promote the family farm, and then come back tomorrow and tell me why it will?

Mr. Roxburgh: It will promote the family farm.

Mr. Horner (Acadia): Tell me why it will.

Mr. Roxburgh: I can tell you—

Mr. Deputy Speaker: Order. The hon. member who has the floor should not be interrupted.

Mr. Horner (Acadia): I am glad to see one hon. member over there rise on his feet and try to answer my questions. This bill has been knocked about for a week and very few members have said it will promote the family farm. I say to the hon. member, let him make his speech on this legislation. Prove to me right down—a, b, c, and d—that this will promote the established family farm. How does syndicating help the family farm?

How does syndicating help the farmer's son take over a farm when his father dies? The farm may well be involved in a syndicate, and after the lawyers are through he may have nothing left.

Mr. MacEwan: An hon. member, "Oh, oh."

Mr. Horner (Acadia): That may have been a bit harsh on the lawyers, but this is part of the concern farmers in my area have about this legislation. It might well be said that this measure could be helpful in land clearing and land levelling. I live reasonably adjacent to an irrigation area, and I have done a bit of irrigating myself.

An hon. Member: And aerating.

Mr. Horner (Acadia): I have done a little bit of land levelling myself, and I know once a piece of land is levelled it requires very little levelling, from there on in. A certain amount can be done by a farmer with

standard equipment, but once the initial land levelling has been done, what are the farmers who form a syndicate to do with a big caterpillar complete with dirt moving equipment—equipment they have bought for a certain job? Land watering might also be assisted by this bill, but P.F.R.A. has done a tremendous amount of work in western Canada. Is it going to be stopped if this legislation becomes law?

If the government is interested in promoting the family farm it should not ask farmers to level and drain their own land at a cost of 7 or 6½ per cent interest. It should be aiding the development of the land, because there is only so much land, and it is our greatest resource. It is the government's duty to aid the better utilization of land, and for some time now a Senate committee has been studying this question. Certainly the government has an important part to play.

I have with me a sheet of paper outlining Liberal party promises during the election, and one item that catches my eye speaks of better farm markets. If this legislation aided farmers to form syndicates to run marketing organizations, then I might say yes. The hon. member who asked me a question a while ago might himself syndicate a tobacco marketing agency, even though this would be contrary to the health recommendations of the Minister of National Health and Welfare (Miss LaMarsh), but he might do that nevertheless, because his is a tobacco producing riding.

I see in this measure legislation to speed up the wealthy people's takeover of small farms. Right across the country small farms are under-capitalized and under-mechanized, and in many areas you have wealthy farmers buying up small farms. Many economists have said the quicker this happens the better it will be for all, but I do not agree with them because I believe Canadian agriculture has many opportunities for diversification. Both the federal and provincial parliaments should promote diversification in agriculture, and might even subsidize the promotion of certain types of agriculture in specific areas.

We should not allow small farms to be taken over by syndicates, particularly syndicates which do not consist of farmers. Under this measure only a majority of them have to be farmers and the others may be doctors, lawyers, machine agents, or what we in western Canada call wealthy tycoons. They may take over land from the small operator, put him out of business and run his farm from their office desks. Is this the type of agriculture we want in this country? In Saskatchewan studies have been made of this particular question. These studies were carried out not too many years ago, in the early 1950's. The social life of the farmer is a very important part of maintaining a happy farm life and a happy farm existence. This is perhaps why the Minister of Agriculture does not like to be called a farmer; maybe he did not have a happy upbringing on the farm. Perhaps this is why he thinks farmers should not be called farmers but should be called grocery growers or food manufacturers. But any farmer who enjoys living on a farm does not mind being called a farmer. Any farmer who loves the land and is prepared to work the land loves being called a farmer; this name does not bother him one bit.

But what does this legislation do to the person who has not enough money, who has not enough good land to eke out a fair standard of living? The wealthy syndicate can put him out of business, take over his land and, in conjunction with many other enterprises, perhaps he will be allowed to manage it. What does it do to farm life? Ask any farmers who have around their communities a number of farms managed by non-resident farmers. They play no part in the social life of the community, because they are in the cities. They play no part in or make no contribution toward what one might well say is one of the benefits of living on a farm; they take no part in the community life, which is so well liked and cherished by the farmers who know it and have lived in it.

I say in closing, Mr. Speaker, that I hope the minister can allay many of the fears I have with regard to this legislation. My fear is that it will do nothing to promote the family farm; that it will promote the type of agriculture to which I am opposed. In the advance billing of this legislation it was suggested that this bill would vastly change the agricultural economy of this country. This is what I am afraid of. How is it going to change our agricultural economy? I fear it is going to change it in such a way that we will no longer have family farms such as the one on which I was raised and on which many farmers were raised. People will not enjoy life on the farm or being part of a family enterprise.

As I see it, this bill will be the first piece of legislation ever brought in by a federal government that is directly detrimental to that type of existence. Unless the minister can convince me that I am wrong in this regard, I have no alternative but to oppose

this legislation. On the other hand, my opening remarks were that money and management may well be the key to good farming in this agricultural world in which we live. But if this government is to put up the money, if any government is to put up the money, they must direct their help to those who need it. The wealthy, whether they be in farming or any other business, are well able to look after themselves. I hope I am wrong about this legislation. I hope this money which is going into agriculture will benefit agriculture as we know it in Canada today. I hope it will promote and maintain the farm managed by the farmer for the benefit of the farmer and his family.

Mr. Bert Leboe (Cariboo): Mr. Speaker, I for one am not apprehensive of this legislation as long as the syndicate is composed of farmers who really are working the land. I have only one suggestion to make to the minister in connection with this legislation. I think serious thought should be given to having these loans insured against the death of one of the participants. I do not think it would be very difficult to get the legislation changed in such a way that an insurance policy could follow the loan, whereby if one of the partners of the syndicate passes on, that part will be paid up and it will not be a burden on the other participants or the widow, as the case may be.

Mr. F. J. Bigg (Athabasca): Mr. Speaker, I am very pleased to see that we have another bill before us which purports to help the farmer. As so often happens in this free discussion group here, a previous speaker rises and steals a great deal of your thunder. I could not have said better than the hon. member for Acadia (Mr. Horner) the things which are very close to my heart in connection with farming problems.

If the house will bear with me for a few minutes, there are one or two matters I wish to bring to the attention of the minister. I think we must consider very carefully the principle behind this bill. What are we going to do to farming in general? It is only a few years ago that our main problem, apparently—I do not say that I agree with this entirely—was that we had already produced too many agricultural products and we were starving in the midst of plenty. At that time our main problem was to find markets. I think the main problem is still to find markets. If the main efforts of our government were spent on marketing our products and making sure that the hungry people of the world were fed, for instance, and that our prices in the world market were such that credit arrangements, and so forth, meant we were able to sell our goods, I think most of the smaller problems such as financing the farm would disappear. I say this because if the farmers all across Canada had a ready market for their products, many of our problems in agriculture would disappear. I think it is safe to say that we are the only country in the world with far more virgin soil to be developed than we have developed so far. We have not yet reached our potential in farm production on the land we have. If our main effort is going to be toward feeding the world—and I think that is what it should be—and if marketing is to be our main objective, I believe this government should carry on in the vein in which we carried on in the six years we held office. We concentrated on the marketing of our goods, and, behold, many of the problems in agriculture were reduced.

Looked at from the human point of view, I for one was raised on the farm. I have no apologies to make for that because I think farming is now and always has been the most noble of all human endeavours. The feeding of people in our own country and then feeding the hungry people of the world is a blessing to mankind. This is certainly the role Canada can play far and above any other country, and this is the effort we should be making in this regard.

We want to keep people on the farm. I think the principle of this bill is entirely wrong. As the hon. member for Acadia said, this bill stresses making available large funds to farmers. They are certainly large funds to a small farmer or to a group of small farmers, if they can borrow up to $100,000. I do not think it is the financing of the farm that is the bottleneck. This bill purports to aid farmers in obtaining farm machinery and, I presume, at something like reasonable prices. What in the world is the use of a bill that requires the forming of syndicates, that requires considerable expense in getting together in a legal group, with all sorts of guarantees? How in the world will this reduce the price of farm machinery?

I do not see how this could do anything except raise the price by at least 1 per cent. That is written into the bill. It will cost money to administer the scheme and the cost of administration will be borne by the farmers themselves. So if we agree that this bill sets out to help the small farmer —and I do not think it does—it would begin

by adding at least 1 per cent to the cost of machinery bought under its provisions.

It may be a little more efficient to have one large tractor working on five farms, but my experience is that this is not possible. If there is a need to purchase one large piece of machinery I can see the need for a syndicate. But five farmers do not need a syndicate in order to get five tractors. Each farmer will naturally look after his tractor much better if he owns it outright and does not have to haggle with four other men. Rightly or wrongly, the Canadian farmer is a very independent person indeed. If he did not love his freedom I do not think he would go out and spend all the years necessary to put a farm into proper shape. This takes many long years of work not only by the farmer himself but by his family, gratis, and when they have produced a family farm they do not want four other farmers to help them run it.

I believe this is a thinly disguised way of providing assistance to corporate farming; I think this is the purpose behind the legislation, which is nothing less than a sop to this creeping socialism which is so prevalent in our country today.

The independent farmers in my own district, and I am speaking principally of them, each own between a quarter section and a section of land. Each needs one tractor. What they are worried about is certainly not the borrowing of $100,000 for more machinery. What they are worried about is getting a reasonable return for what they produce. If they can market their goods at reasonable prices they do not mind paying a reasonable price for machinery. It would take great ingenuity, I know, under our free enterprise system to devise a bill which would bring about a reduction in the price of a small tractor to the family farmer. But this is what he wants and this is what I should like to see him get. The small family farmer is worried about other things and I suggest the minister should turn his attention to other assistance measures which are of far more value even than lowering the cost of farm machinery, among them a guaranteed income. I do not go so far as to say that the department is actually against the small farmer, but I do believe the effect of this legislation will mean that the small farm will become smaller and smaller and that the large farm will become ever larger.

Do we want this trend to continue? We have heard a great deal lately about western farmers being in such good shape that they do not require any further assistance. This could be true of the large grain farmers because in the last two or three years they have found a market for their grain. But by far the major proportion of the farmers in northern Manitoba, Saskatchewan and Alberta are small farmers. They are unable to pay the excessively high prices required today for machinery. Labour is short. It is necessary now for a farmer to farm his own land and the argument that the large farm or corporation farm is more efficient is not a good enough answer for us in Canada.

As hon. members opposite well know, because it is their pigeon now, we face a folding up of many railway branch lines. One reason for this is that there are fewer people living on the land. It takes a courageous government to reverse this trend, a trend which I say is wrong. A corporate farm may be able to produce wheat at $1.20 a bushel whereas normally it would cost $1.40, but we will always require in Canada a strong, independent minded people who come from rural surroundings. I do not think there is a man in this house who if he were to look into his ancestry, would find himself more than three generations off the farm. When families move into the cities, they die out. I challenge anybody in this house to say he can look back for three generations and not find that his grandparents or great-grandparents came from the farm. This is a heritage we have to preserve, and that is why I ask the house to consider this whole matter very carefully. This new economic religion we are preaching today, this religion of efficiency, efficiency, efficiency, may have a serious effect on the future of our country.

Mr. Kindt: May I ask the hon. member for Athabasca a question? This afternoon in my speech on this subject I mentioned the percentage of farmers in my riding who I thought would be making use of this legislation. What is the view of the hon. member with respect to the constituency of Athabasca, where there are a large number of small farmers? Would it be 1 per cent, or would it be less?

Mr. Bigg: I think 1 per cent would be a liberal estimate, if I may use that term. Certainly the suggestion contained in this legislation has never been put forward to me, and I have attended every farmers meeting in my district during the past six years. I have never attended a farmers meeting without this question being put to me—and I admit it is a difficult one to answer: How can we reduce the cost of farm machinery on the family farm? If the present bill purports

to do that, I think it is a colossal failure. I cannot see that by adding legal costs to the already extremely high cost of farm machinery we shall be doing a thing to help the farmers.

But we must do more than try to reduce the initial cost of farm machinery. I understand from the farmers in my area that they are greatly concerned at the present time at the cost of maintenance and repairs. I will give hon. members a concrete example. Only two years ago I was out in a harvest field with one of the farmers in my constituency. Some time earlier his combine had broken down. He had sent his son to town for the spare part required and his son eventually arrived with the piece of repair material. It was a chain. No doubt some members will recognize it when I describe it as an elevating chain for hoisting grain into the combine where it is threshed. The farmer showed it to me and said: "What do you think would be a fair price for that?" Well, it was two pieces of chain a little heavier than bicycle chain, about 20 feet long—two chains 20 feet long very similar to bicycle chain, built the same way. And there were crossed slats set about 15 inches apart, made of bent aluminum. I looked at it. I am not a machinist but it seemed to me that allowing for the automation they have in industry, facilities for turning out this kind of thing by mass production, $50 would be a fair price. Believe me I was giving what I thought was a liberal estimate of a fair price for that piece of machinery. Well, it cost that farmer $248. It was just five times the price I thought it should be. I have had some experience on the farm. I have also worked in a hardware store. Yet I could not see how this was worth more than $50 in any circumstances.

This is the kind of problem which alarms the small farmer. His turnover is not large and after he has paid $9,000 for a combine he is worried about the cost of keeping it in operation. What are we going to do about that? That is perhaps a difficult question to answer. Perhaps the Minister of Agriculture and the officials of his department might call together the manufacturers of farm machines and ask them what they intend to do about lowering the cost of farm machinery and repairs.

This whole situation is not a one-way street. We are not shy about asking the farmer to put his shoulder to the wheel in time of war to produce more and more food and peg the prices of his products. Why cannot the farm machinery manufacturers do something to reduce the cost of repairs?

I am not so cynical that I believe the Massey-Ferguson people are not interested in the welfare of this country and particularly the farmer. Well, they should be interested because if my figures are accurate their profit for this year exceeded the profit for any year in their history, and at a time when the farmers of this country are asking this government to do something about reducing the price of farm machinery. I think there should be a limit to the profits of the farm machinery manufacturer. What would people do if the farmers were to create a monopoly on food, holding it on the farms until they received an exorbitant price? I am sure every newspaper and member of parliament, particularly those representing urban ridings, would castigate the farmers of this country if they held their grain on the farm until they received $4, $5, $6 or $7 per bushel. The people of this country would become alarmed if that situation occurred.

The Minister of Agriculture should make some attempt, in co-operation with farm machinery manufacturing companies, to reduce the cost of farm machines and repairs to farm implements. The Liberals and Conservatives, being members of the two free enterprise supporting parties in this house, should get together with management in an attempt to find a solution to this price squeeze problem. Let us challenge the manufacturers to find a solution to this problem.

No one who has heard me speak in this house could think that I am a socialist. I am against socialism in all its creeping forms. I do not think that the Saskatchewan river dam project is a socialist project but rather an investment in which we should all share. I do not think subsidies paid in certain circumstances, particularly in respect of freight rates for the shipment of livestock, is representative of socialism, but some people would make that suggestion. However, I am opposed to this kind of legislation and suggest that it is a socialistic measure, because it in effect states that individual farmers can no longer own and operate their own farms and at the same time obtain assistance under the provisions of this bill. It suggests that farmers must form a corporation of three, five, seven or a million. The basic principle of strength in our economic national life has always been that one man may own and operate his own farm. I am against corporation farming in all its phases. I think it is very dangerous

to have more than half of the production of food in Canada being produced by corporations.

This bill states that the majority of people to be assisted under this farming legislation must be farmers. It is astounding that that fact must be spelled out in this legislation. I suggest that the Minister of Agriculture has spelled that out in this bill in an attempt to bring a halt to the trend toward the complete takeover by corporations of farming in Canada. I think we should take a very serious look at the situation. I do not think it is wise to turn our land over to corporations and allow them to produce all our food, including grains, poultry and cattle. Why must we spell out in a bill as this that the majority of individuals to benefit will be farmers, and then limit the assistance to groups or corporations? I do not wish to name the corporations, but the effect of this legislation will be that those groups will be able to obtain vast sums of money for the purchase of farm machinery with which to operate in direct competition with the small farmer of the type I represent, who on his own is unable to obtain the same assistance.

The hon. member for Macleod (Mr. Kindt) suggested perhaps 1 per cent of the wheat farmers in western Canada would benefit as a result of this legislation. I do not believe that one quarter of 1 per cent of the wheat farmers in western Canada will benefit. I think the benefit of this legislation will be reaped by those corporations which are engaged, and are becoming engaged, in farming. As long as the government is assisting these corporations by guaranteeing prices and developing markets farming will be profitable on that basis.

I do not believe in nor will I support anything that tends to assist and encourage large groups or corporations to buy farms from the individual farmers who have worked all their lives to make a living. I would support any kind of legislation which would help make it possible for the boys and girls who have been raised on the small family farms in Canada to take over those farms from their parents and operate them as family farms, and I will not support any legislation of the kind that suggests men should gather together in groups or corporations in order to operate farms in Canada. People should be allowed to group together of their own volition, and I am thinking in terms of the Hutterite colonies which exist in Alberta. In many cases even they are being persecuted, but if they wish to gather together in that fashion it is their right to do so. I do not think people should be forced to form corporations in order to take advantage of assistance offered by the government.

The Minister of Agriculture may well suggest that there is nothing in this legislation to compel farmers to form groups, but the only way they can take advantage of the provisions of this legislation is by doing exactly that. If a group of individuals wish to obtain $100,000 for the purchase of farm machinery they must form a group or corporation and assume liability jointly and severally.

Cheaper farm machinery cannot be obtained by hiring a lawyer to incorporate a group or by incurring the expenses of civil servants to inspect the farms to ascertain whether they are good risks. Let us do something about reducing the cost of farm machinery. Let us do something about reducing the cost of maintaining that machinery. Once we do that thousands of individual farmers across this country will believe that we are assisting them.

The only excuse I can find for the minister in respect of this legislation is that he does not fully understand the effect of it. If he does fully understand the effect of the provisions in this bill and realizes that it is a form of socialism, supported by those members to my left, then this legislation is worse than it appears on the surface.

Mr. Herridge: Mr. Speaker, would the hon. member permit a question?

Mr. Bigg: Certainly.

Mr. Herridge: Does the hon. member realize that the people he is referring to in this part of the house also have some criticism to express in respect of this bill, while supporting the general principle?

Mr. Bigg: I am criticizing the hon. members in that part of the house on the basis of their support for creeping socialism. It is bad enough when the government does not know that the essence of this bill embraces a creeping socialism, but if the government is aware of this fact then they are completely selling out Liberal principles.

Mr. Herridge: Would the hon. member answer another question? Are the members of his party going to support this bill?

Mr. Bigg: I sincerely hope that they will not, and that is one of the reasons I am taking part in this debate. I do not think my words fall entirely on deaf ears. If I can show hon. members that this legislation is not in the interests of the average small farmer in Canada I am sure some hon.

members, even in your party, will be broad-minded enough to oppose it.

Mr. Speaker, I am sorry if I have offended the hon. member by my castigation of socialism, but when considering the end result of this proposed legislation one must realize that it is a form of socialism. I commenced my remarks along that particular line.

The principles of this bill should be thoroughly understood before we are called upon to make a decision. If there is any provision in this bill which in the end result will be of assistance to the family farm I will support it, but I do not believe that to be the case. If there is anything in this bill which will promote the welfare of the individual farmer in this country I will support it, but I think we must look at the end result of its provisions before coming to a final conclusion. I do not think any provision of this bill will promote that welfare, but will in fact do quite the contrary—increase the cost of farm machinery. I think this legislation is a smokescreen behind which the ministers can hide. We are being asked by this legislation in effect to sign several blank cheques. I do not think we fully appreciate exactly what this bill will accomplish.

Mr. Deputy Speaker: Order. May I bring to the attention of the hon. member that on second reading we are limited to a study and consideration of the principles of a bill, and the hon. member cannot discuss a study or consideration of individual clauses.

Mr. Bigg: I have been trying to establish the principle of the bill as well as I can. I think any hasty legislation loses sight of the principle, and it is the principle of the bill which I am attacking, I hope with some approbation in the house. I am sure that anybody who believes in free enterprise will say that the emphasis should be upon individual, free enterprise and that people should not be forced into corporations. Perhaps in other industries some people have been forced into incorporating, but I think most of us will agree that generally this is done to escape taxation. When an individual starts making excess profits, shall we say, he immediately turns to his lawyers and has them form a corporation so that his excess profits are still retained within a very narrow group.

I suggest that the same type of thing will go on under this legislation in that excess profits might be made from fattening livestock, let us say, by people who are not really farmers at all, and they are going to hide these profits by spreading them five ways. Only two of them may be farmers and another may well be a millionaire who has no connection whatsoever with agriculture. It is this principle I am attacking, and I am quite sure that I am expressing the opinion of a great majority of the members of my own party, although I do not pretend to speak for the Conservative party as a whole. On this side of the house we do not do that. We speak at all times according to our consciences and on the basis of what we know. We are not a group of experts in any respect. I have never owned a farm, although in my youth I worked for several years on farms for very little remuneration.

I am not an expert on farming but I have taken the trouble to talk to people who are, to people who have hacked their own farms out of the bush and now live in the hope that by working hard and long and doing their best they can earn a fair and decent living. When I visit these farmers it is the cost-price squeeze I am always hearing about. They want to know why it is that no matter how high the prices for their products go the price of machinery always goes higher. This is why I suggested to the minister—I would be quite willing to go along with him if necessary—that he should talk to some of the people who produce farm machinery and discuss whether this is a good time to expect excessive profits. The farmer has often been asked if he would not work a little harder to produce cheaper food for the hungry people of the world, and it is a good question. Would the farm machinery people not be willing to give a little so far as their profits are concerned toward the same end? Certainly we could produce cheaper grain if we had cheaper machinery.

As I said, Mr. Speaker, it is also a mistake to assume that all the problems of agriculture in western Canada are solved. I might say that in the northern half of Alberta comprising the constituencies of Athabasca, Jasper-Edson and Peace River there are more individual farmers than there are in the other eight constituencies south of the North Saskatchewan river. This supports what I said, that if we are thinking about agriculture it is the small bush farms where we find the people who are replenishing the good red blood of our country. They are on farms and this legislation will not help them at all. It will only add unnecessary cost when what is required is the cutting down of the original cost of machinery and the cost of maintenance. This is what will help them most.

We must tie in this farm legislation with other farm legislation. There is certainly no point in providing this type of credit to the farmer unless you are going to be able to guarantee in some way that the help you are giving him with your left hand is not going to be taken away by your right hand. All these things must be integrated. Under ARDA the scientific use of our land is certainly a national project, but there is no point at all in taking people off submarginal land and putting them on good land unless they are going to retain the important things—the right to own their own land, the right to stand on their own feet.

I think it is a preposterous thing for us to go to the taxpayers of this country and ask them to subsidize any type of corporation. That is my own personal opinion. I do not believe in corporations being subsidized by other people at all. If five wealthy farmers are willing to pool their resources they do not need any help from the government at all. They can go to any bank in Canada and borrow money.

I want to make another point about the question of interest. The bill purports to assist farmers to obtain agricultural machinery at reasonable prices. What is the interest rate going to be? I am trying to keep away from the specifics of the bill, but because the interest rate is left blank the whole principle of the bill to my mind falls down unless we are going to be able to assist farmers to get machinery at a reasonable price and at a reasonable interest rate. Part of the principle of the bill is surely the interest rate. There is no point in lending money to farmers if the interest rate is going to be excessive. I would ask the minister to explain later exactly what interest rate he expects the farmers will have to pay.

When we were in office and introduced farm legislation our principle was that because the farmers were in fact the backbone of the country we should make money available to them over a long period of time at a reasonable interest rate, and so we established an interest rate at 5 per cent on farm loans. With any higher interest rate I do not see how the bill will be of any help at all, particularly to the small farmer.

When the minister travels throughout the country I should like him to make sure he does not add to the rift or arguments between the east and west. I would say that our problems in the northern part of Alberta are much more similar to the problems of the farmers of eastern Canada and the maritimes and the small fruit farms of British Columbia and Ontario than to the problems of the large grain farmer. I am not saying at all that there are not problems in western Canada of pressing importance, but as long as we can maintain our world trade in wheat I think that the major problem of the prairies is temporarily resolved.

I say that the small farms of northern Alberta, northern Saskatchewan and northern Manitoba are the same as the farms of eastern Canada and the maritimes and the problem we are faced with is how to make sure that these small farmers have a minimum income. I do not think it is any answer to say that if a man cannot make money on the farm he should pack up and go to a city. What are these people going to do in the cities? We are faced with automation and excess labour in the cities can no longer be absorbed. They can suceed on the farms and we have to arrive at a happy medium between so-called efficiency and maintaining happy people on the farms.

While it is a desperate step, one solution might be to institute some form of licensing in order to protect the family farm. We must be ready to define a farm. I see that in the bill it has been found necessary to define "farmer" for the purposes of the legislation. This might be a good time to take a look at defining who is a farmer and who is not, and in doing this we would have to get a very clear idea of what type of farmer we intend to assist—not to subsidize but to assist—by creating an atmosphere in which he can operate.

Some years ago the farmers from western Canada came down here and I faced them with this problem. I said, what is a family farmer? Some of the spokesmen for this group were shy about defining a family farmer. I do not know why they were afraid to do so, but I suggest perhaps even within the farmers union there are influential people who have a great stake in farming and who do not want the farmer too closely scrutinized. They do not want to say, this is a farmer and this is not. I am quite sure that when the time comes to administer this measure you are going to have a great deal of difficulty in deciding who is a farmer and who is not, and how much of his income is derived from farming.

I have never hesitated to define a family farmer. I say a family farmer is one who lives on the land. I for one am against subsidizing or assisting or encouraging anybody else through special legislation who is not

in fact a bona fide resident on a farm to go into agriculture. I do not believe Canada Packers are farmers. I do not believe the sugar people are farmers, but they are deeply entrenched in the farming business, as you know. This is where these corporations come into the picture. Suppose you are seized with the problem of deciding whether or not a machine for digging sugar beets should come under this legislation. What are you going to do there? Will the Rodgers Company or the Alberta Sugar Refiners be considered farmers? Will they be considered farmers merely because they take up a quarter of cleared land? This is vertical integration and it has gone away beyond bounds in Canada today. It is only a few years since, to my knowledge, one corporation in Ontario was producing 50 per cent of all the broilers. I pose this question for the Minister of Agriculture. This corporation is still in existence. Perhaps they will decide to grow grain for their own chickens, and if you get a few small farmers in southern Ontario with 50 acres and you include this corporation, which I will still leave anonymous, as the third party, are you going to lend them another $100,000 in order that they can buy some farm machinery to put another 30 or 40 farmers out of business?

Are we merely trying to cut down these large corporations and make them standard across the country? Are we going to say that you can no longer farm unless you have a financial corporation as a silent partner?

Mr. Herridge: May I ask the hon. member a question? The hon. member is making a rather unusual speech. He has criticized this bill because he says it benefits the corporation farmer. He criticizes it also because he says it seems to be creeping socialism. These two criticisms seem to be contradictory, and would he explain them to us?

Mr. Bigg: Yes, I will be pleased to do so. Like most other farm problems, this one is not all black or white. I suggest this government does not know where it is going with this piece of legislation. It could go into the field of complete monopoly, with one company, as it has done with the broiler business, or it could get to the point where you are no longer able to keep the family farm. You will either be forced into the corporation farm, or if you are not forced into the corporation farm you will be forced into the communal farm, like the Hutterites in Alberta. They call it simple Christian communism. I would be inclined to go along with the Christian part of it because they have no desire to try to impose their will on anybody. The only difference between socialism and communism is the amount of force required. I say this on no less authority than Mr. Woodsworth, who was for many years a member of this house. I believe it was in February of 1933 that he said it may well be that force may be necessary in the final analysis, so this makes the veil between communism and socialism very thin indeed.

Mr. Deputy Speaker: Order; may I suggest to the hon. member that perhaps at this time he is getting away from the principle of the bill before the house?

Mr. Bigg: I was merely being courteous and answering the hon. member for Kootenay West (Mr. Herridge). I am sorry if I have strayed from the principle of this bill. Nevertheless I have not strayed very far because I have put up a warning light for my Liberal friends so they will not fall into this socialist trap. If the bill is intended to force us into communal farming, then it is socialism. It may well be communist in its final analysis, if that is the purpose of the bill. I object to it on these grounds. If the purpose of the bill is to cater to large corporations who are trying to take away farms from individual farmers, I am equally opposed to that. I am a Conservative. We Conservatives stand for the maintenance of the standards of our ancestors. We do not have to go too far back, two or three generations. Our ancestors pioneered this country and believed when they established themselves as farmers they would be able to hand on to their children a well established way of life.

They did not intend that at any time their representatives in parliament would sell out to socialism or to the larger corporations. It is not fair. I hope my hon. friend from Kootenay West is not suggesting that the Conservative party is the tool of the large corporations. We are not. If I were, I would certainly have no hope of campaign funds from Massey-Harris or Massey-Ferguson.

Mr. Deputy Speaker: I regret to interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, Bill No. C-121 brings us to define the role of agriculture in society. It plays one of the greatest, noblest roles because the farmer needs several organizations; he has to work for several segments of the economy before he can reach his objective. The purpose of agriculture is to provide food for individ-

uals, for human beings. We must recognize and appreciate the true value of agriculture. Why is agriculture important? What is its role? What is the reason for its existence?

We absolutely have to admit, as members of parliament and as individuals, that agriculture is the cornerstone, the basis on which rests the whole structure of society.

However, if the foundations of agriculture are undermined as they are at present, then the whole economic and social structure of society will disintegrate. Because if it is recognized that farmers have basic needs, that agriculture, especially in the province of Quebec, is at present in a terrible state of stagnation, members of parliament and several public officials are still not aware of it. If members of the house visited rural counties in my part of the country, they would realize the chaotic state of agriculture in our districts and would see that 70 per cent of farmers have abandoned their farms.

It is real stagnation. Those remaining express the desire to leave the farm from day to day, from month to month. Since no help was provided to the farmers, today the family farm is gradually disintegrating and disappearing. It is the result of our present system, and this phenomenon of the disintegration of agriculture is also evident throughout the economic structure.

Farmers have vital needs. They need a home just as the city worker, as any other individual in the country; they need clothing, they would like to give an education to their children the same as anyone else. And with an average annual farm income of $1,500 in the province of Quebec, the Minister of Agriculture (Mr. Hays) cannot believe that his Bill No. C-121 could be applied in that province. Does he think that the eastern farmer could take advantage of that legislation?

Everybody knows that 99 per cent of the farmers are already saddled with farm loans; they have a hard time making ends meet and discharging their obligations. The Duplessis government had granted farmers loans which, as he claimed at that time, were to save agriculture in the province of Quebec, get farmers out of the doldrums; but 20 or 25 years later, one finds that farmers are ten times worse off than they were before.

Farm loans proved that they were not the right formula to save agriculture because experience showed that they served only to get farmers into debt and into worse trouble. Farmers operated their farms during 10, 15 and 20 years without showing a deficit and now they wake up with one. Farmers obtain loans offered by the federal and provincial governments and those new loans only serve to pay off the deficits incurred in the last 10 or 15 years.

And the farmer is left with his run-down buildings and his broken agricultural instruments. In fact, there is hardly anything he can use any more. He is then obliged to borrow $15,000, $20,000 or even $25,000 to make up for his deficits in previous years.

Mr. Speaker, I cannot see how this measure can save agriculture. We are not opposed to the principle of the bill. But this measure only favours those who have money; it is of no help at all for those who have none. As a matter of fact 99 per cent of the farmers will not be able to take advantage of this piece of legislation because they are already so deeply in debt that the banks will probably refuse to let them have a loan even if the government does guarantee such loans. I do not see how this bill could solve the farm problem.

Yet, there are solutions to the farm problem. But proper action should be taken to solve existing problems if we really want to help the farmers. Anything else would be of no earthly use and would never solve the problem. Many suggestions have been made over the years, but none were accepted.

Agriculture is more than ever in a state of stagnation, and it is not by making loans to the farmer and by charging him interest that his problems will be solved. As a matter of fact, he cannot even make enough profit to pay the interest and if he has to pay interest on farm loans, it will increase the cost of production and, consequently, the cost of living will rise as is the case at the present time.

As a matter of fact, it seems that there is no end to it.

Are we going to solve the agricultural problem with all the methods that were suggested and the measures that were applied? I do not think so, as agriculture is still in a state of depression and nothing has been settled yet.

Therefore, in order to solve the agricultural problems, I will allow myself to make a few suggestions to the Minister of Agriculture as well as to the house. I know that several members have already made suggestions, but I suggest that since agriculture is in a state of stagnation and the farmer is unable to pay any interest, the money that will be lent him should be interest free. This is one of the first steps to be taken if the agricultural

problem is to be solved, for it will never be solved otherwise.

Here is my second suggestion. It was pointed out a while ago that farmers needed homes and farm buildings, and yet taxes have been raised. As a matter of fact, farmers are building the year round. But an 11 per cent sales tax has been imposed on all building materials, with the result that the farmer has to suffer the ill-effects of a tax increase he cannot afford to pay. So let us start by removing taxes which are hurting everybody, but especially the farmer. Let the Minister of Agriculture begin by removing that tax. If he came up with such a solution, I believe good results would follow.

I would also suggest to the minister that all the heavy equipment the farmer needs to clear up and enlarge his farm and to help him do his work, especially when there are many stones on his land, ought to be made available to him and paid in full either by the provincial or the federal government or by both together, or through shared programs under ARDA.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. member but I have to remind him that it is now ten o'clock.

[*Text*]

BUSINESS OF THE HOUSE

Mr. Monteith: Mr. Speaker, I wonder if the acting house leader could outline the business for tomorrow, Thursday and Friday?

Mr. MacNaught: Mr. Speaker, tomorrow we shall take up the consideration of main estimates, starting with the Department of Fisheries, followed by the Department of Citizenship and Immigration, then the Department of Public Works and finally the Department of Forestry.

Mr. Monteith: Would the acting house leader outline the estimates for Thursday and Friday?

Mr. MacNaught: If we finish these tomorrow I would be able to announce other departments at the close of business tomorrow evening.

PROCEEDINGS ON ADJOURNMENT MOTION

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

[Mr. Latulippe.]

AGRICULTURE—POULTRY—INQUIRY AS TO STEPS TO MAINTAIN PRICES

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, the reason I asked to have this question debated is because it is of such importance and urgency. On many occasions I have asked the Minister of Agriculture (Mr. Hays) about the low prices for turkeys, and he gave me the answer that they were higher than ever before. When I asked him about the low prices for livestock he gave me the same answer, that they were higher than they ever were, when in fact they were at their lowest.

The other day when I asked why the price for chickens was so low, Mr. Speaker said I should put the question on the order paper; but as I have already said, it is of such importance and urgency that I would like to debate it now.

I have here in my hand a sales slip issued to a farmer in my area, Mr. Olaf Olson, who sold 99 chickens. After they had deducted $9.50 for killing these birds, he finished up with $8.35 for them. Mr. Olson lives about 40 miles from Humboldt. If you consider the 10 cents per mile that is usually charged for travelling, it will be seen that he wound up with only 35 cents for the whole works. In order that hon. members do not get the impression that these chickens were of poor grade I would like to give the record that is to be found on this sales slip. There were 12 grade A's which weighed up to 5½ pounds killed, 60 B's that weighed up to about 4½ pounds, 17 C's, and there were two or three old roosters and chickens of lower grade. But the fact is that any time a farmer sells 99 chickens at grade A, B and C and only receives $8.35, there must be something wrong. It is for this reason that I bring this question to the attention of the house, because when the Minister of Agriculture (Mr. Hays) goes out in the country and tells us that the price of livestock, poultry and turkeys is higher than ever before, the fact is that this is not the case.

The same thing applies to turkeys. The price of turkeys is lower than it has ever been before. The Minister of Agriculture has not done anything to solve this problem, and I suggested to my good friend Mr. Olaf Olson that what he should have done was take a hatchet, go into his chicken coop, chop the heads off the chickens, give his chickens a decent funeral and forget about the whole thing. He is a good Swede, and when I told him this he looked at me. He did not say

very much; he only swore, and I would not like to say exactly what he said.

I would like the Minister of Agriculture to give me and the people in the country an answer to his question. Why does the farmer only receive $8.35 for 99 chickens, when they are bought in the store for a much higher price?

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to thank the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp) for his question and his interest in this particular matter. I am confident of course that he would not want to be inaccurate in what he says. When he suggests that the minister said turkeys commanded a higher price than ever before, and that the price of other poultry and livestock is higher than ever before, I believe he is not correct.

Mr. Rapp: It is on the record.

Mr. Beer: What the minister has said on numerous occasions is that the price of turkeys in 1964 is about consistent with or slightly higher than it has been for the past four years.

The hon. member raised the question of fowl. I think we have to understand the situation a little to appreciate the purchasing problem which confronts those concerned. In 1963 there was an increase of approximately 30 per cent in the number of chicks going to the farms, and this marked increase has placed pressure first on the egg market and second on the price of old fowl going to market in 1964. I think this is the real reason why the farmer we have been considering has a problem. There are a lot of fowl going to the market at this time for which there is a very limited demand.

The hon. member is correct in analysing the prices in the various grades, but I think it is proper to point out that only 15 per cent, approximately, of the shipment was of the top grade, and naturally the balance would not bring the highest return. I hope that with an appreciation of these underlying problems the hon. member for Humboldt-Melfort-Tisdale will be able to explain to his farmer that the reason for his complaint is fairly deep seated.

Mr. Rapp: Mr. Speaker, I should like to say—

Mr. Deputy Speaker: Order. There can be no debate at this time.

SPORTS—REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

[Translation]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, here is the question I should like to put to the minister and which will be answered, I am sure, by her parliamentary secretary, who is here now, with great ability and in a very appropriate manner.

As recommended by the national advisory council on amateur sport, will the grant which was supposed to be awarded to "La Société des jeux d'hiver de Québec", an organization set up to carry a program of athletic competitions in Quebec city, be paid to that organization?

I have already put this question in the house. The minister then replied, very properly indeed, that she was not in a position to give me a specific reply.

What happened is that because no precise decision has been taken in that respect, the said winter sports association of Quebec city finds itself in a difficult situation. In fact, under the present circumstances, it will have to postpone until 1967 the project it had intended to undertake in 1966.

Having received very recently a written as well as a verbal communication from the president of that association, I thought it was my duty to bring the matter up again so as to know what to expect, in order to be in a position to give a specific and final reply to the interested parties.

I would like to know if that subsidy will be granted according to the recommendation made.

If no grant is forthcoming, I should like to know why. Are there legal, political or constitutional difficulties in the way? That is what I should like to know in order to give an adequate reply to the people concerned who have asked me for information.

Nothing would please Quebec citizens more than to see that project carried out at the very centre of French life in America, so that during the celebration of our centennial, in 1967, all our athletes, united in a spirit of solidarity, will participate in competitions. That endeavour will be a great success if the federal government agrees to give the requested grants.

I have been told, on the other hand, that some correspondence was exchanged between the provincial and federal authorities. I was given to understand that the federal authorities were willing to go along but that the provincial authorities were still reluctant

Those are points I should like to have cleared up, because we, in the federal government, are getting a bit sick and tired of wearing the repulsive mask of the tax collector while the provincial government can take on the beaming look of a Santa Claus handing out all the goodies.

Therefore, if the federal government is contributing to this scheme I would like to see that it gets its fair share of the credit, because I was greatly disappointed when I came across an article in a Quebec daily where the Minister of National Health and Welfare (Miss LaMarsh) was being charged with refusing to co-operate in this endeavour.

That is why I am asking for the required information.

[*Text*]

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it can be clearly stated that there is no suggestion whatever that the hon. Minister of National Health and Welfare and the federal government are not prepared to co-operate, and on the basis of what has been taking place I suggest that there has been co-operation and negotiation between the two levels of government, federal and provincial. Negotiations are continuing in the hope that this matter can be resolved. I am sure it is the intention of both levels of government to advance this project.

If there is anything more definite to report in the near future I am sure the minister will be in a position to do so.

EXTERNAL AFFAIRS—APPOINTMENT OF RUSSIAN PROFESSOR AT UNIVERSITY OF SASKATCHEWAN

Mr. K. H. More (Regina City): Mr. Speaker, I sought leave to debate this matter this evening because I was denied the privilege of receiving an answer to my question to the minister this afternoon. He did not even choose to take my question as notice, which would have permitted him to give a brief and concise answer tomorrow.

My question arises from an announcement which appeared in the *Leader-Post* of September 18, 1964 under the heading "Russian to Teach". This article states:

> A. B. Nicolaev, 41, an economist from Moscow State university has been appointed visiting professor of economics at the University of Saskatchewan, Regina, campus. Mr. Nicolaev is deputy chairman of the department of political economy at the university. He was a guest lecturer at both Cambridge and Oxford, 1962.
>
> Principal W.A. Riddell said today he believed it was the first time a Soviet citizen has accepted a post to a Canadian university. The invitation was extended with the approval of the external affairs department.

Further to that announcement a release was made to radio and television stations, and a comment was credited to Professor Smythe, who I understand is head of the economics department at the Regina campus, to the effect that this Russian economics professor would be of great benefit and would give intellectual stimulation to the student body.

It might well be that the minister and his parliamentary secretary will say that this is a provincial matter. I believe that questions will be asked of the provincial authorities, but as a member of this House of Commons I do not have the oportunity to do that.

As a result of this announcement made on September 18 I have received several letters from people who are aroused about this professor coming to Regina. Some of those letters were written by parents of students who wonder about the orientation in the university as a result of this visiting economics professor. I do not share in full those fears and concerns which have been expressed, because I am aware of visits being made back and forth between the U.S.S.R. and this country, and our exchange in trade, which is leading to a new understanding. The fact remains that people in communist countries have relatives who are naturalized Canadians. Immediately those Canadians apply to have those relatives released and allowed to come to Canada where they can find the freedom offered in this country, their requests are given short shrift. Yet with apparent alacrity this leading professor of economics from the University of Moscow is permitted to come on a visit to fill a fellowship position in the economics faculty of the University of Saskatchewan, Regina campus.

It is said that this has been done with the full approval of the federal government and the Department of External Affairs. Therefore at the federal level there are questions that I think should be completely answered so that the fears that people have with regard to the spreading of communism in a seductive manner will be allayed and so they will be assured that our security is protected. I think we should have full answers. That is the reason I put the question forward.

All of a sudden we are faced with a visiting Russian economics professor, and it is stated he is the first Soviet citizen to accept such an assignment in Canada. In view of the stringent control normally exercised by the Russians the question is being asked why

the Russian authorities have permitted this to happen. I know of no announcement that has been made, but perhaps unbeknown to us there may be an exchange program under which our Canadian professors who espouse our social system have been invited to occupy chairs at Soviet universities. Has this happened or is this a one-way traffic? If it is a one-way traffic, what is the thinking of the department in permitting it to take place on this basis?

I have no fear at all as to our present free enterprise social structure being able to stand on its own feet in the full light of any analysis that searching minds and free people want to make. As far as I am concerned, it is the greatest system on earth and it has provided more goods at better prices to more people than any other social system in the world. Therefore I have no fear about its being able to stand on its own feet. But here we have coming to this country a leading Russian professor who subscribes to an alien system which in most cases locks its doors against investigation and interrogation. We are permitting this man to come here. What is his purpose? How far can he go? What freedom is he to be allowed in this assignment? He will be dealing with adolescent minds and great concern is being expressed.

I hope that rather than mere verbiage about how this happened, how the department permitted it and so on we will receive straight answers. If there is something to be gained, if it is a fair exchange, if the Russian people are being placed in the position of being open to receiving answers to their questions from our people in the same way that our people in Canada will be exposed to answers from this Russian professor as a result of his visit, I think this should be known, because it would allay people's fears. I put these questions to the minister's parliamentary secretary and I hope he will be able to answer them completely tonight so that the fears expressed in some of the letters I have already received in this short time will be allayed so far as the action of the federal government in this action is concerned.

Mr. Stanley Haidasz (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, the hon. member has raised many questions and in the three minutes allotted me I doubt very much that I will be able to satisfy him completely. I can say, however, that the hon. member in raising this matter has drawn attention to one particular case in isolation from a number of considerations. As he is no doubt well aware, for some years it has been the policy of the Canadian government to agree to cultural exchanges between Canada and other countries, including the Soviet union, whenever we were able to secure conditions of reciprocity. This policy is of long standing and has been subject to periodical review under this and previous governments.

In implementing these general policies it should be obvious that in this, as in other fields, officials carry out their responsibilities under general directives laid down by the government. There was no reason why the case to which the hon. member refers should have been brought particularly to the attention of the Secretary of State for External Affairs (Mr. Martin). The matter was dealt with according to established procedure.

The arrangements for this exchange have involved the officials of the Canadian government department concerned, both in Ottawa and in Moscow. No objection was taken to the initiative by the University of Saskatchewan to arrange for Professor Nicolaev to come to Canada. Education is of course a matter of provincial responsibility. The decision to bring Professor Nicolaev to Saskatchewan was taken by the university of that province. In this particular case, there were no reasons for refusing to grant a visa to Professor Nicolaev, provided suitable arrangements had been made, as was the case, by the University of Saskatchewan.

For the hon. member's information, the details of this case are as follows: Toward the end of last year the University of Saskatchewan approached the Soviet ministry of higher education with an invitation to nominate a qualified Soviet economist for a visiting professorship at the university's institute of social sciences for the 1964-65 academic year. In response to this invitation, the Soviet authorities submitted the name of Mr. A. B. Nicolaev of the Moscow state university. The University of Saskatchewan accepted the nomination and requested the Department of External Affairs to expedite the issuance of a visa. As I suggested earlier, this visit should be viewed as part of a developing exchange of visits and contacts between Canada and the Soviet union in the academic field. In the past year or so, arrangements have been made for a number of Canadian students and professional people to work in and visit institutions of learning in the U.S.S.R.

Motion agreed to and the house adjourned at 10.23 p.m.

HOUSE OF COMMONS

Wednesday, September 23, 1964

The house met at 2.30 p.m.

CANADIAN FLAG

CONCURRENCE IN FOURTH AND FIFTH REPORTS OF SPECIAL COMMITTEE

Mr. H. M. Batten (Humber-St. George's) presented the fourth and fifth reports of the special committee on a Canadian flag, and moved that the reports be concurred in.

Motion agreed to.

FINANCE

AMENDMENT OF ACTS ADMINISTERED IN INSURANCE DEPARTMENT

Hon. Walter L. Gordon (Minister of Finance) moved for leave to introduce Bill No. C-123, to amend certain acts administered in the Department of Insurance.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

*WEEKLY PRESS SUMMARY, PRIME MINISTER'S OFFICE

Question No. 1,763—**Mr. Fisher:**

1. What persons select and edit the weekly press summary of the office of the Prime Minister?
2. What are the formal guidelines or policy requirements given to these people in the preparation of this summary?
3. What is the estimated cost of the operation, including any clipping service on which it is based?
4. What allowance is paid or what attention is given to items in the press which are critical of or antagonistic to the administration or the ministry or the Liberal party or the prime minister?
5. What purpose does the summary serve?
6. What is the distribution of it?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): 1. A member of the staff of the Prime Minister's office.

2. To prepare abstracts of press items and comment relating to issues that are of current interest to the government and assemble them into a weekly summary.

3. The salary of the individual concerned plus the cost of producing the document in question. The clipping service is a separate operation for information purposes extending beyond the press summary.

4 and 5. The purpose of the press summary is to provide the Prime Minister, cabinet ministers and members of their staffs with the essence of editorial comment and news reports from various sections of the country on matters of interest to the government. Equal attention is given to all items whether complimentary or critical. The test is whether they relate to matters of government concern.

6. As indicated, the summary is prepared for the Prime Minister and members of the cabinet in the first instance and distributed to them and members of their staffs. Members of parliament, and others who have shown an interest in the summary and asked to be added to the distribution list also receive it and, within limits, it can be made available to additional persons on application.

NORTH SYDNEY MARINE RAILWAY—NAVAL CONTRACTS

Question No. 1,775—**Mr. Muir (Cape Breton North and Victoria):**

What steps are being taken by the government to provide employment at the North Sydney Marine Railway Company Limited of North Sydney, Nova Scotia, through the allocation of a naval vessel for refit and/or repairs?

Hon. J. W. Pickersgill (Minister of Transport): During 1963 approximately $150,000 worth of allocated refit and repair work was directed to the North Sydney Marine Railway Company in comparison with $118,000 in the preceding year. To date, this year the general refit and repair program available for allocation is substantially down as compared with preceding years, but an appropriate proportion has already been directed to the North Sydney Marine Railway Company, and it will continue to receive a share of any further refit or repair work which may develop this year.

Questions

EFFECTS ON HUMAN HERBICIDES AND PESTICIDES

Question No. 1,802—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research on the effects on humans of long term absorption and retention of herbicides and pesticides and, if so, at which institutions, and under whose direction is such research being conducted?
2. What is the annual cost to the government of each of these projects?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1 and 2. Under the national health grants the Department of National Health and Welfare is giving support to research on the effects on humans of long term absorption and retention of herbicides and pesticides, as follows: St. Dunstan's University, Charlottetown, under the direction of Dr. John Craig. Approved for 1964-65, $9,275. University of Montreal under the direction of Dr. F. J. Tourangeau. Approved for 1964-65, $19,691. Department of public health, province of Alberta, under the direction of J. H. Brown, M.Sc. Approved for 1964-65, $11,950.

STUDIES OF WATER FLUORIDATION

Question No. 1,886—**Mr. Howe (Hamilton South):**

1. What studies into the effects of fluoridation of water have been conducted by (a) the medical research council (b) the national research council?
2. Under whose direction were such studies conducted?
3. What has been the cost to the government of each of these studies?

Hon. C. M. Drury (Minister of Industry): In so far as the medical research council and the national research council are concerned, the answer is as follows:

1. (a) Medical research council: 1. Nil.

(b) Studies conducted by the national research council: 1. The only study undertaken by the national research council was a review of recent scientific literature which arose out of other work.

2. Dr. N. E. Gibbons and Dr. W. H. Cook.

3. The cost is estimated to be $2,000.

CONTROL OF USE OF CHEMICAL PESTICIDES

Question No. 1,896—**Mr. Dinsdale:**

1. Are regulations in effect to control the use of chemical pesticides in Canada in (a) national uarks (b) provincial areas (c) areas privately owned, with a view to limiting contamination of lakes, streams, fish and wildlife and, if so, what is the nature of these regulations?
2. Has any research been undertaken in Canada to determine the possible harmful effects of pesticides?

[Mr. Pickersgill.]

Hon. Maurice Lamontagne (Secretary of State): 1. (a) There are no regulations to control the use of chemical pesticides in the national parks, but activities in that field are carefully controlled in accordance with instructions prepared by experts using the most up to date information available in the Department of Northern Affairs and National Resources and the Department of Agriculture; (b) this is a matter for provincial control; (c) private land owners are free to exercise their rights to protect their private property.

2. Yes. Such research to provide supplemental information to that obtained from other countries is being carried out in all regions on an increasing scale.

SHIP COLLISIONS, ST. LAWRENCE RIVER

Question No. 1,899—**Mr. Irvine:**

1. What was the total number of ship collisions in the St. Lawrence river since January 1, 1964?
2. What was the total number of lives lost?
3. What was the total monetary loss in equipment and cargo?

Hon. J. W. Pickersgill (Minister of Transport): 1. Total number of ship collisions was eleven, eight in 1963 and three in 1964, as follows: April 4, 1963, *Mellum/Ascot;* June 4, 1963, *Carl Schemedeman/Coverdale;* July 18, 1963, *Seven Skies/Cartier;* July 19, 1963, *Canadoc/Calgadoc/Bariloche;* July 20, 1963, *Roonagh Head/Tritonica;* October 11, 1963, *African Glade/Farrandoc;* December 3, 1963, *Manchester Merchant/Lionel;* December 8, 1963, *Procyon/Fort Albany;* April 10, 1964, *Irish Willow/Wenny;* June 12, 1964, *Sprucedale/Anette;* September 5, 1964, *Leecliffe Hall/Apolliona.*

2. Forty, 37 in 1963 and three in 1964. in 1964.

3. The Department of Transport does not have a record of the monetary value of lost equipment and cargo.

C.B.C. PAYMENTS TO RADIO NORD INC.

Question No. 1,925—**Mr. Laprise:**

Since 1958, what amounts did the C.B.C. pay each year to Radio Nord Inc.?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation that it has not been customary to require the corporation to give details of amounts paid to individual affiliated stations as this could be prejudicial to the corporation in its business dealings with its other network stations.

[*Text*]

NEW COMPANY ESTABLISHED, PORT ALFRED, QUE.

Question No. 1,936—**Mr. Côté (Chicoutimi):**

What is the name of the company which has been recently established at Port Alfred and which will benefit from the tax exemptions granted to depressed areas?

Hon. C. M. Drury (Minister of Industry): No new enterprise in Port Alfred has signified to the government its intention to benefit from the federal tax incentives to new industry in designated areas.

DISCUSSIONS WITH U.S. ON AUTOMOTIVE PARTS INCENTIVE PROGRAM

Question No. 1,946—**Mr. Scott:**

1. Has the government recently held meetings with representatives of the United States to discuss the automotive parts incentive program of the Canadian government?
2. In view of the urgent and widespread interest in the matter did the government offer to make alterations in the program and what was the nature of such alterations, and what degree of acceptance did such alterations, if any, receive from the United States officials?

Hon. C. M. Drury (Minister of Industry): 1 and 2. Replied to in answer to an oral question on the orders of the day by the hon. member for Danforth, September 22 at page 8287 of *Hansard*.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPORTATION OF GREEK SEAMEN

Question No. 1,217—**Mr. Bell:**

1. How many Greek seamen, since January 1, 1964, have been or will be deported at the termination of jail sentences for illegal entry into Canada?
2. What are the names, places of conviction, sentences and fines that have been imposed against such seamen?
3. Are seamen of other nationalities prosecuted in the same manner as Greek seamen for illegal entry?

Return tabled.

PERSONS HELD IN JAIL AWAITING DEPORTATION

Question No. 1,243—**Mr. Martineau:**

1. What are the names of the persons presently held in the jails across Canada who are to be deported when they have completed their sentence?
2. In each case, what was the nature of the offence?
3. In each case, what is the reason for deportation?

Return tabled.

*IMPORTS-EXPORTS OF TURKEYS, PORK, ETC.

Question No. 1,905—**Mr. Muir (Lisgar):**

What is the number of pounds imported and exported (between Canada and the United States) of turkeys, eggs, hogs and pork products, from January 1 to August 31, 1964?

Return tabled.

MOTOR VEHICLE TRAFFIC AT CERTAIN PORTS OF ENTRY

Question No. 1,927—**Mr. Watson (Assiniboia):**

1. How many motor vehicles passed through the port of entry at Emerson, Manitoba, between 12 midnight and 8 a.m. during the period May 15 to September 15, 1964?
2. How many motor vehicles passed through the port of entry at North Portal, Saskatchewan, between 12 midnight and 8 a.m. May 15 to September 15, 1964?
3. How many motor vehicles passed through the port of entry at Regway, Saskatchewan, between 12 midnight and 8 a.m. May 15 to September 15, 1964?
4. How many motor vehicles passed through the port of entry at Coutts, Alberta, between 12 midnight and 8 a.m. May 15 to September 15, 1964?
5. What was the total number of vehicles for 24 hours per day at each of these ports May 15 to September 15, 1964?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motion 164 is acceptable to the government. Motion 166 is acceptable to the government subject to the usual reservation concerning agreement by the provincial government. I ask that motion 165 be allowed to stand.

Mr. Speaker: Shall motions 164 and 166 be adopted?

Some hon. Members: Agreed.

SURVEILLANCE OF POSTAL EMPLOYEES

Motion No. 164—**Mr. Orlikow:**

That an order of the house do issue for a copy of all correspondence between the Postmaster General or the deputy postmaster general and employees' organizations relevant to the construction of peep-holes used by the department to observe postal employees, either while these employees are working or in washroom facilities.

Motion agreed to.

EXTENSION OF FUNDY NATIONAL PARK

Motion No. 166—**Mr. Bell:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence exchanged between the Department of Northern Affairs and National Resources and the province of New Brunswick and any others regarding the proposed extension of Fundy national park and/or the proposed Fundy trail during the last ten years.

Motion agreed to.

Question of Privilege

PRIVILEGE

MR. COATES—REPORTED STATEMENT BY PRIME MINISTER RESPECTING CLOSURE

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I rise on a question of privilege affecting all hon. members of the house. Yesterday I posed the following question to the Prime Minister:

> Did the right hon. gentleman state in the course of a press conference in Vancouver on September 17 that closure would be used if the flag committee did not come forward with a near unanimous decision?

To this question I received this emphatic reply from the Prime Minister:

> No such statement was made.

I now have available to me the transcript of the Prime Minister's press conference at Vancouver on September 17, which on page 15 contains the following question and reply:

> If you do face the problem seriously of continued filibuster in your minority position, how long can a government tolerate it without going to the people to get a clear cut decision of the parliamentary majority and parliamentary reform?

To which the Prime Minister replied:

> It is not essential to go to the people in order to stop a filibuster. There are rules for that purpose. They are used as a last resort, but they are there, and they have been kept there by the previous government, so the previous government must have felt it was unwise to take out the closure rule. It is still there, but I don't like to see legislation enacted by closure. It is much better to do it some other way.

As a result of this statement many newspapers across Canada informed their readers that the Prime Minister threatened closure if the flag committee did not reach a satisfactory decision. Yesterday I mentioned the Montreal *Star*, which on September 18 carried a headline reading "Closure if Necessary—Pearson".

The Prime Minister's reply to me is not in keeping with the facts, and places the flag committee in the same position as the Prime Minister placed the House of Commons with the threat of a general election if his flag design were not accepted. I consider the Prime Minister owes the house an apology for this statement in Vancouver, and the flag committee a categorical retraction of the threat of closure so they might be able to continue their most important task in the proper atmosphere.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, far from owing the house an apology the hon. gentleman, by the statement he has just made quoting from the verbatim record of what I did say, undoubtedly owes the house an apology for misrepresenting this statement.

[Mr. Bell.]

MISS JEWETT—NEW DEMOCRATIC PARTY PRESS RELEASE RESPECTING REFORM OF PARLIAMENT

Miss Pauline Jewett (Northumberland): Mr. Speaker, I rise on a question of privilege affecting all members of the house, and in particular the members of the special committee on procedure and organization which is under Your Honour's chairmanship.

Yesterday a press release was issued by the New Democratic party dealing with that party's proposals for the reform of parliament. The committee on procedure and organization, which is a committee of this parliament, has been discussing the problem of the reform of parliament, and has long since agreed that it would try to come to an all party agreement on the proposals that it presented to parliament. Indeed, the representative of the New Democratic party on that committee was one of those who most strongly felt that, if possible, unanimity should be reached before our proposals were presented here.

I think it is an affront to this house, and in particular to the committee itself, that the party which had agreed there should, if possible, be an all party agreement before the committee's proposals for reform of this house were presented, should now break that agreement.

Some hon. Members: Shame.

Miss Jewett: It is an invitation to other party leaders now to do the same and it is, in effect, completely pulling the rug from under the committee on procedure and organization that has been set up for this purpose. It is a case of going outside this parliament to make these recommendations instead of bringing them here, which is the proper place for them.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, on the question of privilege I should like to say that neither I nor any member of this party wishes to offend the house, and least of all such a gracious and charming member as the hon. member for Northumberland.

However, we do not believe any apology is called for. We believe that the question of the reform of parliament is something that is the concern not only of parliament itself but of the people of Canada, and that it is a legitimate matter for public discussion, as was

shown by the Prime Minister himself who publicly stated a short time ago that if the committee were not able to reach some satisfactory conclusion the government itself would have to accept this responsibility. We consider that the members of this party also have a perfect right to assume that responsibility and to ask the people of Canada to engage in a public discussion as to how the procedures of this parliament can be so adapted and changed as to streamline its business and carry on the affairs of this country in a more efficient manner.

Mr. R. Gordon L. Fairweather (Royal): I want to endorse the point of privilege taken by the hon. member for Northumberland. The leader of the New Democratic party ignored the opportunity provided by a supply motion last Monday to present his views, and preferred to do so by means of a press conference. It is a matter of record that ten reports of the committee on procedure have been introduced into this house. It is also a matter of record, or it should be—and it is to those of us who serve on the committee—there has not been a protracted, wrangling debate in that committee.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, as a member of the special committee on procedure and organization, I am pleased to endorse the remarks made by the hon. member for Northumberland (Miss Jewett) about the line of action taken by the leader of the New Democratic party (Mr. Douglas) in this case.

Several of the suggestions made by the New Democratic party were made by members of the committee and several others were accepted by members of other parties.

That is how are being made public, on behalf of one political party, ideas expressed by members of the five parties in the House of Commons since the setting up of this special committee on procedure and organization.

Furthermore, Mr. Speaker,—and what seems to me most important of all—if the New Democratic party is really interested to see the committee achieve some results, I think the experience of the past few weeks has shown us that such results will not be obtained by airing our discussions on the public square, but by having instead some sort of unity within the committee itself. It would be much easier, then, to reach our objective and get results.

I feel that, through this publicity, the members of the New Democratic party have just violated two privileges of the house: first, they have taken as their own a study made by the five parties and, then, they have prevented the achievement of immediate results by bringing to the attention of the public, for their own benefit, the ideas of all.

[*Text*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please. The hon. member for Cariboo.

Some hon. Members: Hear, hear.

Mr. Bert Leboe (Cariboo): All I want to say, Mr. Speaker, is that it does seem to me that when the chairman of a committee on rules and procedure belongs to a particular party, it is certainly cheap politics—

Some hon. Members: Hear, hear.

Mr. Leboe: —and I do not think the people of Canada are being fooled one iota by the press release of the New Democratic party.

Mr. Knowles: Mr. Speaker—

Mr. Speaker: If the hon. member speaks now he will close the debate.

Some hon. Members: Oh, oh.

Mr. Knowles: Thank you, Mr. Speaker; but I hope that will not be—

Mr. Grégoire: Mr. Speaker, I rise on a question of privilege.

[*Translation*]

On a point of order, Mr. Speaker.

While the hon. member for Northumberland (Miss Jewett) rises on a question of privilege to protest against a statement made by the hon. member for Burnaby-Coquitlam (Mr. Douglas), you should like to see the hon. member for Winnipeg North Centre (Mr. Knowles) bringing the debate to a close? It seems to me that it rests rather with the hon. member for Burnaby-Coquitlam to set forth his views in this respect, unless the hon. member for Winnipeg North Centre speaks on behalf of the hon. member for Burnaby-Coquitlam.

[*Text*]

Mr. Kindt: Mr. Speaker—

Mr. Speaker: Order, please. The only reason the Chair recognized the hon. member

for Winnipeg North Centre was that he is a very active member of this particular committee.

Some hon. Members: Oh, oh.

Mr. Lambert: That is nonsense.

Mr. Churchill: On a point of order, Mr. Speaker, how far will this debate be extended; because there are other members who also have an interest in this important problem.

Mr. Fisher: They certainly do.

Mr. Speaker: I think the hon. member's point is well taken. Orders of the day.

Mr. Balcer: Mr. Speaker—

Mr. Speaker: Is the hon. member for Three Rivers rising on orders of the day?

Mr. Balcer: No, Mr. Speaker; I am rising on the question of privilege.

Mr. Speaker: A question of privilege?

Mr. Balcer: The same question of privilege, Mr. Speaker.

Mr. Speaker: We have had a spokesman from each party, and perhaps considerably more has been said than is necessary.

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, it seems quite in order that I should raise this question at this stage of the proceedings. Here is my question of privilege. We have just heard a very harsh indictment against the leader of the New Democratic party by the hon. member for Northumberland (Miss Jewett) who protested as strongly as possible against the line of action taken by that party as regards the special committee on procedure and organization.

However, at the same time, the Prime Minister's office issued a news release entitled:

Prime Minister's statement about parliamentary reform.

I am happy to have Mr. T. C. Douglas' support with regard to the reform of parliamentary procedure, something which is long overdue. I urged that such a reform be made first as leader of the opposition and then as Prime Minister—

I hope that the views expressed by the N.D.P. will help the committee to continue its work. The government will gladly welcome the support and co-operation of members from all parties on that matter.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I wish to thank the hon. gentleman for putting that press communiqué on record in *Hansard*. I am grateful to him for that. Of course there are times when you have to issue a statement to keep the record straight, and in this case we welcome the hon. gentleman and his party to the ranks of those who wish to reform parliament.

Mr. Speaker: Order. Unless there is a very important contribution to be made at this time it does seem to me that we have all agreed some measure of reform is necessary, and that we do not need to pursue the subject this afternoon. If the hon. member for Winnipeg North Centre speaks the hon. member for Macleod has to be recognized, and I am afraid we would be here for a considerable length of time.

Mr. Knowles: Several of those who have spoken—

Some hon. Members: Order.

Mr. Speaker: It is now my duty and pleasure to declare that in my opinion there is no question of privilege. Orders of the day.

Mr. Knowles: On a question of privilege, several of those who have spoken in this house today—

Some hon. Members: Order.

Mr. Knowles: Several of those who have spoken—

Some hon. Members: Oh, oh.

Mr. Knowles: —have made reference to me by way of an attack.

Some hon. Members: No.

Mr. Speaker: Order. I am sure the hon. gentleman will indicate his agreement with the necessity for reform by accepting the decision of the Chair.

Some hon. Members: Hear, hear.

Mr. Knowles: On a question of privilege—

Some hon. Members: Oh, oh.

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Knowles: Yes, sir, I am.

Mr. Speaker: Is it the same question of privilege?

Mr. Knowles: My question of privilege is that several members who have spoken have been permitted to make reference to me—

Some hon. Members: No.

Mr. Knowles: Oh, yes, several references were made to me by name, and I submit that in these circumstances I should be

allowed at least a minute to speak on this same question of privilege.

Mr. Speaker: I am very sorry, but I did not hear the name of the hon. member mentioned. In any event, the decision of the Chair was that there was no question of privilege; therefore I intend to call orders of the day. The right hon. Leader of the Opposition.

Mr. Knowles: Since your ruling is based on the fact that you did not hear members refer to me, may I say that I believe the hon. member for Royal did, the hon. member for Cariboo did, and so did other members.

Some hon. Members: No.

Mr. Knowles: At any rate, all I want to do is thank hon. members for drawing attention to those who are trying to get these matters out for public discussion.

Some hon. Members: Abuse of the rules.

LABOUR RELATIONS

S.I.U. ELECTIONS—APPEARANCE OF MARITIME TRUSTEES BEFORE HOUSE COMMITTEE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am not rising on a spurious question of privilege, Mr. Speaker. I wish to direct a question to the Minister of Labour and ask him whether he has received communications, oral or written, to the effect that in the situation connected with the S.I.U. election there is grave danger that the results of this election will not represent the democratic desires of the members of that union.

Whether that be so or not, is it not about time that the board of maritime trustees were brought before a committee of parliament in order to give them an opportunity to answer an allegation that is being widely made, that Banks or some of his supporters still control the S.I.U.?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have received no representations with regard to the S.I.U. elections. I do know there is a special advisory committee assisting the board of trustees in carrying out this election, on which committee sits a representative of the Department of Labour, of the S.I.U. and of the Canadian Labour Congress. We have no information that proper procedures have been neglected in the carrying out of this election.

With respect to the second part of the hon. gentleman's question, it is proposed to have the board of trustees come before a committee of the house at this session, during the fall. The exact time has not been determined, and I am not in a position to indicate any time in the absence of the house leader.

Mr. Diefenbaker: Mr. Speaker, this is another example of postponement. I suggest that these trustees be brought before a committee of this parliament—

Some hon. Members: Question.

Mr. Diefenbaker: —before this election. If the minister has no information I can send him a couple of items which will provide him with information which would cause grave suspicion about the voting procedure which is taking place.

ADMINISTRATION OF JUSTICE

HAL BANKS—SUGGESTED APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): A supplementary question, which I had intended to ask of the Minister of Justice, but in his absence I will direct it to the Prime Minister. In view of allegations and suggestions that there may have been some corrupt practices in reference to the administration of law in the Banks case, would the Prime Minister consider setting up a royal commission to investigate the matter and to report why Banks is able to avoid and ignore the law of Canada?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Minister of Justice has already dealt with this question, and at some length.

Mr. Woolliams: A further supplementary question. Has the Prime Minister and his government anything to report as to the whereabouts of Banks, either in the United States or in Canada?

Mr. Pearson: No, Mr. Speaker. I hope my hon. friend was not able to find him in Europe.

Mr. Woolliams: Maybe the Prime Minister should look in the city of New York.

EXTERNAL AFFAIRS

SOUTH VIET NAM—INQUIRY AS TO CANADIAN COMMITMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I understand that the Prime Minister and the Secretary of State for Ex-

ternal Affairs have met today with Mr. Cabot Lodge, the former United States ambassador to South Viet Nam. I should like to ask the Prime Minister what commitments, if any, have been asked for from Canada by the United States representative, and I should also like to ask whether the Prime Minister will give the house his assurance that Canada will not make any contribution to the situation in South Viet Nam other than such contributions as we make through our membership in the international control commission which was set up by the 1954 Geneva agreement.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, my hon. friend the Secretary of State for External Affairs and I were privileged to have some very interesting and useful conversations with Mr. Cabot Lodge, who is a guest of the house in the gallery this afternoon.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Lodge was good enough to bring us up to date on the situation in Viet Nam as the United States government sees it, and we were very interested in this information. No commitments were asked for.

Mr. Douglas: A supplementary question to the Prime Minister. Is Canada making any contribution or giving any assistance in any shape or form at the present time?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, as the Prime Minister has just indicated, and as he said on another occasion, there is no question of any military commitment by Canada in South Viet Nam nor has any military assistance to that country been suggested either by Mr. Lodge or by anyone else. Canada is now providing non-military assistance in the amount of some $700,000 for 1964-65. This includes food, education and certain projects having to do with medical and hospital care. As I indicated yesterday, the government proposes to increase this non-military assistance to Viet Nam pursuant to the expanded program announced in this house last November.

Mr. H. W. Herridge (Kootenay West): A supplementary question to the Secretary of State for External Affairs. Who administers those Canadian funds? The minister could not possibly leave them in the hands of the corrupt regime which governs the country.

Mr. Martin (Essex East): Mr. Speaker, I am sure my hon. friend's loose language is not really based on careful reflection. The funds are administered, of course, as a result of bilateral arrangements between the parties concerned, by the external aid office of Canada.

NATIONAL DEFENCE

NATO—RUSSIAN SURVEILLANCE OF NAVAL EXERCISES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Prime Minister. Do the Prime Minister and the government regard the intensive surveillance by the Russians of the present NATO exercises taking place in the north Atlantic as having any particular significance at this time, and what is the policy of the government in this regard?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I myself would not attach any particular significance to this fact. Such naval exercises have taken place in the past, and the exercises are going on on the high seas, which are free to the ships of all nations.

INQUIRY AS TO ALTERNATIVE TO FRIGATE CONSTRUCTION PROGRAM

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has a decision yet been reached concerning the construction of naval ships as an alternative to the general purpose frigates which were cancelled so many months ago? If not, when may we expect a decision in this respect, having regard to the urgent representations made by SACLANT in so far as Canada's commitments for the supply of ships?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think the two parts of the question, if it can be called a question, are directly related. The government shipbuilding program is now under review by the defence staff following completion of a study which was undertaken some months ago. I hope it will not be too long before decisions can be taken. There has been no request for additional support for SACLANT, and I think my hon. friend is just referring to a speech made by SACLANT when he was visiting Halifax a few days ago.

Mr. Thomas M. Bell (Saint John-Albert): I have a supplementary question, Mr. Speaker. May I ask the minister of defence whether what is left of the Canadian navy

is taking part in the NATO exercises in the north Atlantic?

Mr. Hellyer: I have already answered that question, Mr. Speaker. Perhaps my hon. friend would consult *Hansard*.

LABOUR CONDITIONS

MODIFICATIONS IN WINTER WORKS INCENTIVE PROGRAM

On the orders of the day:

Mr. J. E. Pascoe (Moose Jaw-Lake Centre): Mr. Speaker, I have a question for the Minister of Labour arising out of recent inquiries received from municipal officials in my constituency. On June 23 the minister stated that the winter works program initiated by the previous government would be continued but that there might be some modifications. Will there be modifications and, if so, can these changes be announced soon so that municipalities can be advised before making their winter works plans?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, there will be modifications in the winter works incentive program, and I announced the details of these changes during the discussion of my estimates on the Friday before Labour day.

Mr. Pascoe: A supplementary question. Has any information gone out to the municipalities; because I have been receiving inquiries asking me what changes will be made.

Mr. MacEachen: Mr. Speaker, letters have gone out to the provincial premiers advising them of the terms of the winter works incentive program, as is the custom. The provinces usually advise the municipalities as to the terms.

HOUSE OF COMMONS

REQUEST FOR REPLIES IN FRENCH TO QUESTIONS ON ORDER PAPER

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, last August 28 I put to the Minister of Labour question No. 1,820 on the order paper. My question was in good French.

I received a reply yesterday but it is exclusively in English, even though I need it in French for my constituents.

Could the minister tell us whether there are, within his department, people who are sufficiently conversant in French to answer us in French when we ask questions in that language? I should like to hear from the minister on that point.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, there are excellent French speaking officers in the Department of Labour, I am glad to advise my hon. friend. I did make the answer in English, my language, and he asked the question in French, his language. However, I will attempt to co-operate with him and give him future answers in his language.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

As the same thing is happening in a number of departments I would like to ask the right hon. Prime Minister whether he could not ask his colleagues to answer members in the language in which questions are asked in order to assist the members.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, that seems to me to be a reasonable suggestion.

REPRESENTATIONS BY CONSERVATIVE PARTY RESPECTING VACATION

On the orders of the day:

[*Translation*]

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

Is it true that the Conservative party is bringing pressure to bear on the government or making representations so as to obtain a recess extending at least two weeks for parliament?

Should this be true, has the Prime Minister considered that such a recess would delay by that much the work of the committee on the Canadian flag and that we could find ourselves without a flag at Christmas time?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I have received no such representations.

PRIVILEGE

MR. WINKLER—REFERENCE TO EDITORIAL IN MONTREAL "STAR"

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise on a question of privilege. The

Montreal *Star* of September 22 has an editorial under the heading "Proper Use of Power", in regard to one of the Liberal members, and the following is stated—

Mr. Speaker: Order, please. I must interrupt the hon. member. I know of the editorial to which he refers, and I believe this question was dealt with by the Chair several weeks ago. I do not see any reason to change that ruling.

Mr. Winkler: Mr. Speaker, this is a question of privilege which concerns all hon. members. I do not think it is in regard to the matter to which you refer.

Mr. Speaker: May I ask the hon. member whether it refers to a particular member who was mentioned in that editorial?

Mr. Winkler: In this particular instance, Mr. Speaker, it refers to myself. The editorial states in part:

> He may not, for a variety of reasons, have much of a political future, but it should be perfectly clear to Mr. Winkler, the Liberal whip—

To correct any error or misapprehension in the mind of any reader of this valuable paper, I trust they will take note. While I am on my feet, Mr. Speaker, I should like to ask a question.

Mr. Speaker: Order. Just to finish with one matter at a time, has the hon. member seen the latest editorial, or the note on the editorial page of today's Montreal *Star*, where he is again mentioned?

Mr. Winkler: No, I have not, Mr. Speaker, and I may have to rise again at a later time.

ROYAL VISIT

REQUEST FOR DETAILS OF QUEEN'S VISIT TO OTTAWA

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like now to ask the Prime Minister whether he can clarify the arrangements that are being made for Her Majesty's visit to the capital on October 12, so that all hon. members may make arrangements accordingly.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the details regarding the royal visit were made public at one o'clock today, and I believe they have been sent to every member of the house. It was not possible to arrange for Her Majesty to address the House of Commons and the Senate, but it will be possible for members to meet Her Majesty at a reception on that morning.

DOMINION-PROVINCIAL RELATIONS

MEMBERSHIP OF ECONOMIC COUNCIL—PERMANENT SECRETARIAT

On the orders of the day:

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I ask the Minister of Forestry a question?

After the statement the minister made in Montreal yesterday I should like to know whether he is of the opinion that the Economic Council of Canada Act should be amended in order to provide for a direct provincial representation and participation in the activity of that body?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I spoke about the Economic Council of Canada Act incidentally, but I did not raise that problem.

Mr. Grafftey: Mr. Speaker, may I ask a supplementary question?

Will the minister exert pressure on his government with a view to establishing a permanent secretariat on federal-provincial relations at the level of heads of government, based on the principle of the Canadian council of ministers of resources? The minister will agree with me that this matter is very important in view of the inadequacy of means of consultation between Ottawa and the provinces for a better planning of the Canadian economy.

Mr. Sauvé: I think that the question concerns the Prime Minister.

[*Text*]

AGRICULTURE

QUEBEC—REQUEST FOR FEDERAL ASSISTANCE IN TRANSPORT OF FEED

On the orders of the day:

Mr. Ian Watson (Châteauguay-Huntingdon-Laprairie): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Has the minister received a request from the province of Quebec with regard to federal participation in a program of freight assistance for forage transport to drought stricken counties in western and southwestern Quebec, including the counties of Châteauguay-Huntingdon and Laprairie? If the minister has received such a request, can he assure the house that the Canadian government will render the fullest possible assistance?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, the answer is yes to both questions.

IMMIGRATION

REPORTED ALTERATION IN CHINESE AMNESTY REGULATIONS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Will the minister advise the house whether the regulations have now been altered to allow amnesty in respect of Chinese ship deserters and individuals with forged passports? I ask this question in view of a speech recently made by the Postmaster General to the Chinese benevolent association in Vancouver.

Hon. René Tremblay (Minister of Citizenship and Immigration): No, Mr. Speaker, we have not modified the amnesty program concerning Chinese.

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. On August 28 the minister replied to my question of August 25 regarding Mr. Robert Ameln and Mr. George Hogan, so called official union negotiators from the United States, and suggested that these men were here on a temporary basis. Since their arrival in Toronto there have been many acts of violence of increasing seriousness, and I should like to know whether the minister is giving consideration to terminating what he called the "temporary exercise of their respective callings".

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I will be quite ready to make an inquiry.

Mr. Ormiston: A supplementary question, Mr. Speaker. In view of the fact that in a recent edition of *Printers' Story,* a trade publication, Mr. Robert Ameln is described as a strike director and Mr. George Hogan as his assistant, would the declaration of such occupations qualify these men for legal admission and, if not, is the matter being reconsidered?

Mr. Tremblay: I will make complete inquiries.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO SHOWING OF FILM ON LIBERAL PARTY

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Secretary of State?

Would the Secretary of State recommend to the C.B.C. to show on its network the Liberal federation's movie entitled "Youth Year Zero" so that it may continue in this way to publicize the Liberal party to which that crown corporation seems to have dedicated itself?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I do not think that this is a real question. However, I shall be pleased to refer the substance of the question of the hon. member to the C.B.C.

Mr. Lessard (Lake St. John): A supplementary question, Mr. Speaker.

Does the Secretary of State not think that this film might be a good substitute for the one entitled "Mr. Pearson"?

Mr. Lamontagne: Mr. Speaker, I have not seen either.

[*Text*]

ALLOCATION OF FREE TIME TO POLITICAL PARTIES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, this is a question I first put to the Prime Minister a week or so ago, and I wonder whether he or the Secretary of State now has an answer. Will the C.B.C. make time available to the leaders of the three smaller parties on national television, similar or comparable to the time recently made available as extra time to the leaders of the two larger parties?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am informed by the Canadian Broadcasting Corporation that they do not have any plans for further special programs on the business of the house along the lines of those to which my hon. friend has just referred.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question, Mr. Speaker. Has anyone conveyed to the Canadian Broadcasting Corporation that it is supported by all the taxpayers of Canada, and is not the

private preserve of the Liberal and Tory parties?

Mr. Pearson: Mr. Speaker, I am sure my hon. friend, who has such great interest in the integrity and independence of the C.B.C., would not wish the government to exert any pressure on the C.B.C. in regard to programming of this kind.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether it has been conveyed to the C.B.C. that the hon. member for Burnaby-Coquitlam said there should be a moratorium on the flag discussion?

Mr. Douglas: I have a supplementary question. The two broadcasting questions were not confined to a discussion on the flag.

An hon. Member: That is what you asked for.

Mr. Douglas: That is not what we are asking for. We are asking for equal time. Apparently the Canadian Broadcasting Corporation has decided to do otherwise, and in this way shows favouritism, which in turn will have an adverse effect on public opinion in respect of the C.B.C.

Mr. Pearson: Mr. Speaker, in respect of that question, I noticed last night that the C.B.C. quite rightly gave my hon. friend some time to tell the people of Canada about his plans for reforming parliament. I was tempted to phone the C.B.C. to find out whether the Prime Minister could get equal time in respect of this important subject, but I resisted that temptation.

Mr. Douglas: Mr. Speaker, I should like to support the Prime Minister, and urge that he be given time on the C.B.C. tonight to give this press statement he has issued further publicity; also that equal time be given to the hon. member for Northumberland to protest the remarks contained in the Prime Minister's statement.

[*Later:*]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question to the Prime Minister and ask him whether his government recognizes the fact that there is some discrimination among the various political parties in Canada, since some parties are allowed to take part in some programs, while others are not?

Inasmuch as the government is responsible for the C.B.C., could the Prime Minister put pressure on the corporation to enable all political parties to be placed on the same footing in this regard?

[*Text*]

Mr. Pearson: Mr. Speaker, I do not see how we could ask the C.B.C., let alone make the C.B.C., to put all political parties on the same footing when the people of Canada did not put them on the same footing.

Mr. Speaker: The Postmaster General.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

[*Text*]

Mr. Speaker: Order, please. One at a time. Time is very short. The Postmaster General.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I should like to ask a supplementary question—

[*Text*]

Mr. Speaker: I am sorry. The Postmaster General.

[*Later:*]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I want to ask the right hon. Prime Minister a supplementary question relating to the C.B.C.

The Prime Minister stated a short while ago that the Canadian people did not place all political parties on the same footing. We do not contest this statement, but when the C.B.C. submits its budget to the house, we are nevertheless the ones who examine its expenses and I ask the Prime Minister for his personal intervention with the C.B.C. to have all political parties treated equally by that public corporation. The Prime Minister is doubtlessly capable of obtaining a fair treatment for the various parties represented in the house.

[*Text*]

Mr. Pearson: Mr. Speaker, I hope the C.B.C. will treat all parties equitably in these matters, and I will be glad to convey to the C.B.C. my hon. friend's observations, in which I think we all concur.

SHOWING OF FILM ON FREDERICTON CONFERENCE ON NATIONAL GOALS

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, yesterday

the hon. member for Parry Sound-Muskoka expressed interest in the date on which the film of a certain conference on Canadian goals would be broadcast by the Canadian Broadcasting Corporation. I am informed by the C.B.C. that this program will be telecast on the English network on Thursday, September 24, 1964, at 8.30 p.m. eastern daylight time.

TAPE RECORDING OF QUEEN'S ACTIVITIES TO FOLLOW LIVE BASEBALL TELECAST

On the orders of the day:

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, while I am on my feet may I reply to a question which was asked on Monday last by the hon. member for York-Humber concerning the televising of a certain portion of Her Majesty's visit to Canada.

I am informed by the Canadian Broadcasting Corporation that the corporation considers the royal visit to be of greater importance than the world series. That is why the corporation is providing extensive coverage of the visit on radio and television in both languages, most of it live, including Her Majesty's visit to the Quebec legislature on the morning of Saturday, October 10.

In the case of the afternoon of October 10 there is no question that, because both events occur at approximately the same time, the corporation was faced with a problem. If it were not for the existence of modern television and radio recording equipment it is obvious that the corporation would have cancelled the baseball broadcast.

However, because this equipment is available the C.B.C. can provide coverage of Her Majesty's visit to the Quebec citadel and of the world's series game for Canadians who want to see both these events.

HOUSING

HALIFAX, N.S.—LOW RENTAL ACCOMMODATION FOR NAVAL PERSONNEL

On the orders of the day:

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I wish to supplement my answer to a question put on August 20 by the hon. member for Greenwood. While I was in Halifax on September 21 and 22 for discussions, with provincial and municipal officials and other interested citizens, on the implementation of the recent amendments to the National Housing Act, I met, as was suggested by the hon. member for Greenwood and other members of the house, with Rear Admiral Brock and several of his staff to consider naval housing problems in the greater Halifax area. The discussion was frank and helpful, and resulted in the formation of a committee comprising representatives of the Atlantic command, Royal Canadian Navy, and Central Mortgage and Housing Corporation to examine the situation in detail and report its findings and recommendations to the government as soon as possible.

PRIVILEGE

MR. GRÉGOIRE—REFUSAL OF PERMISSION TO ASK SUPPLEMENTARY QUESTIONS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): On a question of privilege, Mr. Speaker, and I think it is the first time I rise on such a question since the provisional amendment of the rules. Moreover, I am of the opinion that my question of privilege is quite in order and deals with the members' rights in the house.

The Postmaster General has just answered a question that had no relation at all to the supplementary questions we intended to put.

I have asked only one supplementary question respecting the C.B.C., while you allowed the hon. member for Burnaby-Coquitlam (Mr. Douglas) to direct three questions.

Moreover, sometimes the Leader of the Opposition (Mr. Diefenbaker) is allowed three supplementary questions on the same subject. I do not object to that, but in my opinion the members sitting in this corner of the house should be given the same rights as any other members of the opposition, particularly when we want to ask supplementary questions concerning important fields such as the one we have just been discussing.

It seems to me that we ought to be entitled to ask our supplementary questions, and I strongly object to the attitude you have adopted in not allowing us to ask questions, even letting someone change the subject.

[*Text*]

Mr. Speaker: I should like to point out that on Wednesday afternoon we have a period of half an hour for questions, and the Chair does its best to distribute the time available among all parties in the house. To my knowledge the member has asked at least two questions this afternoon, and it does seem to me that when I have a list of ten other members who wish to ask one question each, they are entitled to be heard first. The hon. member for Port Arthur.

Inquiries of the Ministry

BROADCASTING

APPROVAL OF TRANSFER OF WINDSOR RADIO STATION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wish to direct a question to the Secretary of State arising out of information that the board of broadcast governors has approved the transfer of the Windsor radio station from the general ownership of Royce Frith to that of Geoff Stirling. In view of the fact that several members of parliament, including myself and the hon. member for Essex South, I believe, made representations to the board of broadcast governors on this matter, I wonder whether the Secretary of State could get for the house, because others members are interested too, a full statement as to why the board of broadcast governors approved this transfer, beyond the normal paragraph issued in their press release.

Hon. Maurice Lamontagne (Secretary of State): I will be pleased to see what I can do to meet the request of the hon. member.

CROWN ASSETS

DISPOSITION OF FORMER R.C.A.F. STATION EDGAR

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to direct a question to the Minister of Industry. Is he now aware that the R.C.A.F. station at Edgar has been closed, and has he anything to report with regard to this station?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am well aware of the great interest that the hon. member has taken in the question of the R.C.A.F. station at Edgar, and I am glad to be able to tell him that when the station ceased to be used by the R.C.A.F. the Ontario government considered the possibility of making use of it, and has now decided to take it over for the establishment of an institution to look after retarded children.

TRADE

BUTTER—NEGOTIATIONS RESPECTING IMPORTS INTO CANADA

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yesterday, Mr. Speaker, the hon. member for Nicolet-Yamaska asked me whether I knew that certain concerns were now entering into preliminary negotiations with a view to importing butter into Canada. I am not aware that any particular negotiations are being carried on with regard to the import of butter into Canada. Since butter is under import control, any intention to import must necessarily be brought to the attention of the department.

SUPPLY

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

DEPARTMENT OF FISHERIES

1. Departmental administration, including grants and contributions as detailed in estimates, $1,159,000.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Chairman, it has been customary for the Minister of Fisheries, in introducing the estimates of his department, to give a brief résumé of the state of Canada's fishing industry and of the fisheries resources, and to outline the current activities of the department. By doing this now, I may be answering in advance some of the questions which hon. members may have in mind. If there are points which I do not make sufficiently clear, I shall be glad to explain them in detail when we are considering the estimates of the department item by item.

Fishing is a risky and hazardous calling. Every year it takes its toll of lives. During the past year, while there has been no major tragedy, there have been isolated instances of men lost at sea or falling victim to the mishaps which are all too common in the lives of those whose work takes them to sea. I am sure every member of this house will join me in paying tribute to Canada's fishermen and their families. These are the people upon whose strength and skill the entire industry is built and, as you will note in the report which follows, it is a primary concern of the Department of Fisheries to see that they are employed as safely and profitably as possible.

I should like to make a few remarks about the up to date status of the fishing industry from an economic point of view. With the exception of the codfish catch from the trap fishery of Newfoundland, the 1964 season has been generally satisfactory. The first indication came with early fishing for spring salmon in British Columbia which yielded 4.9 million pounds during the first six months of 1964, compared with 3.6 million pounds for the same period in 1963. For the first seven months of this year, landings of all species by commercial fishermen on both coasts

totalled 1.2 billion pounds or 30 million pounds more than the landings in the first seven months of last year. This increase was registered despite a decline in the cod catch of 48 million pounds.

The value of the commercial catch is larger so far this year than the increase in landings would suggest. The increase in value to the end of July was about 20 per cent against 2 per cent increase in the volume of landings. This is accounted for principally by a higher proportion of the more valuable species in the total catch. In British Columbia, salmon landings are up by 34 million pounds, and in the Atlantic provinces there have been significant increases in the landings of haddock, small flat fish, swordfish and scallops. The figures just released yesterday for the month of August were most encouraging and show a further trend toward a record year for Canada's fisheries both in quantity and in value.

This expansion in output at the primary level of the industry occurred without any softening of dockside prices. In fact, in some cases the price level moved up over the record level set a year ago. The most spectacular price rise has taken place in the first sale of Newfoundland salted codfish. The short supply resulting from the disappointing trap fishery earlier in the season and competition from Newfoundland freezing plants has been reinforced by strong demands from the major markets. The result has been that Newfoundland fishermen are now getting the highest prices on record, especially for fish in the salt bulk form. If present prices hold through the balance of the season they may offset, on the over-all value of salted fish, the effect of the smaller production. An indication of the situation in the markets comes from the report that Norway, a traditional net exporter of salted fish, is purchasing a substantial quantity of salt bulk fish from Newfoundland. I still express the hope that a better late fall fishery in Newfoundland will bring the cod landings in that province close to normal.

In the maritime provinces the expansion in production and quality of swordfish and tuna, the last just a two year old industry, continues. I want to state here that tremendous improvement in the tuna fishery and processing is expected within the next few months, particularly in the southern section of New Brunswick. I want to take this opportunity to commend those who have been pioneers in this new fishery, Captains Matthews and Savage from Campobello island. I should like also to mention here Captain Norman Ryall from the west coast, who has shown a special interest in the development of the tuna industry, and for whom the largest fishing boat ever built in North America will be launched in a few weeks time at one of the shipyards at Lévis, Quebec.

The United States is the predominant market for these special species. This year the value of scallop landings is up by $900,000 and swordfish by $600,000 over the last season. The average price to the fisherman for these species in the first seven months of this year has been 42 cents per pound for scallops and 31 cents per pound for swordfish, both up slightly from 1963.

In British Columbia the good catches of spring salmon, to which I referred earlier, were followed by unexpectedly large catches of sockeye, which is the most valuable of the British Columbia salmon. Landings of this species during the current season were 17 million pounds, an increase of 10 million pounds over the disappointing catch of last year. By early September the sockeye pack stood at over 343,000 cases—almost double the pack of the same period of 1963. The sockeye run on the Skeena river was well above the earlier expectations which suggested that 300,000 of these fish might be taken. It now appears that the actual catch may be 2½ times that number. Most of the major runs are expected to surpass the preseason forecasts.

The halibut catch, however, has been disappointing especially from area 2, but prices have firmed up considerably from last year. Mediums have been quoted at 27 to 28 cents a pound, which is about five cents higher than last year's level. Herring landings during the January-July period were below last year by about 13 million pounds, but higher prices maintained the value of the catch. The summer herring operation has yielded good results so far. Catches of the minor species, including the cods and soles, continue to expand and reached a total of 32 million pounds by the end of July, an increase over 1963 of 5 million pounds.

The quantity of fishery products exported in any January-July period include a large proportion of the production of the previous year with the exception, of course, of items sold alive or chilled. For this reason, export data at mid-year are not closely related to the level of production data covering the prior six months. The value of exports to the end of June, however, indicates a continuing strong demand for fishery products from this

country. For all products this figure for the six months period was $88 million, compared with $72 million to the end of June 1963. The United States continues to be the largest customer in this field and Canadian exporters sold $58 million worth out of the $88 million total to markets in the United States.

The demand for groundfish products continued without abatement. In the first six months of 1964 exports of fillets and blocks totalled 61 million pounds or about 60 per cent of United States imports of these commodities from all countries and an increase of 14 million pounds over the volume imported from Canada during the first six months of 1963. Iceland continues as a strong competitor in the field and is now supplying the United States with about 30 per cent of its import requirements. It is therefore most imperative that our fishermen as well as our processors exercise greater care and better attention in producing the best quality product possible.

The strong demand for Canadian fishery products, and especially that associated with the growing population on this continent, has been accompanied by firm or rising prices. This situation has been apparent for several years and the industry is reacting to it in significant development and expansion. This is particularly true on the Atlantic coast where heretofore capital formation from earnings within the industry was not the rule. The construction of the large plant at Lunenburg and the plans for development at Canso, Georgetown and Summerside are evidence of the optimism pervading the industry. The Atlantic fleet now includes 92 trawlers, most of which are modern and efficient. Five years ago this fleet comprised 53 vessels. This is an increase of 80 per cent, and most of the 53 were used ships which had been purchased from the United Kingdom and the United States. The scallop fleet now contains about 35 vessels over 75 feet in length, capable of exploiting distant beds and landing scallops of high quality. Five years ago there were only nine scallop vessels of this size on the Atlantic coast. Fishermen, alone or in partnerships, are acquiring vessels in the 45 to 65 foot class which fish near and middle distance waters. They are equipped with modern fish location and catching gear, and their owners are actively experimenting with new types of gear and new methods of fishing. Nearly 500 of these vessels have been purchased by fishermen with financial assistance provided by the Department of Fisheries in recent years.

[Mr. Robichaud.]

Because of the importance of the subject and the wide interest in it, the matter of territorial limits merits some mention at this time. The Territorial Sea and Fishing Zone Act, proclaimed on July 23, established a 12 mile fishing zone around the coasts of Canada. This means an additional nine mile fishing zone has been added to the existing territorial sea limit of three miles. The act also authorized the governor in council to establish straight base lines from which the territorial sea could be measured. Until such time as the straight base lines are established, the additional nine mile fishing zone is to be measured from the existing territorial sea limits.

While taking this unilateral step of establishing the new fishing zone and proceeding to the establishment of straight base lines, the government initiated discussions with a number of friendly countries which have been fishing off our coasts, some of them for many centuries, to see how their interests might be affected.

We are now on the second round of these discussions with eight countries and hope that they may be concluded soon, at which time the government intends to proceed with the establishment of the new base lines. I wish I were in a position to give the house more details of the second phase of these negotiations, but I am confident that I will have the co-operation of all hon. members in recognizing that such details cannot be made available while negotiations of this nature are under way.

On the high seas, where fishing rights are not a question, there is still need for consultation and agreement with other countries for the protection of the resource itself. This calls for a joint management program entailing a great deal of research and some long range planning. For this reason a number of international fisheries commissions have come into being, and Canada is represented on seven. Four of them are established under multilateral agreements, and deal with the fisheries of the northwest Atlantic ocean, the fisheries of the north Pacific, the stocks of fur seals and of whales. The other three agreements under which joint commissions operate are between Canada and the United States and deal with Pacific sockeye and pink salmon of the Fraser river system, the halibut of the north Pacific ocean, and the fisheries of the great lakes.

In connection with one of the foregoing, the international convention for the high seas fisheries of the north Pacific ocean, we are

even now engaged here in Ottawa on a third round of talks between the three countries involved—Canada, Japan and the United States. The purpose of these talks, which are being conducted in a hopeful and co-operative atmosphere, is to find a better basis for resolving different views as a result of the experience gained during the 11 years the convention has been in operation. A new draft convention is being considered. Again, Mr. Chairman, I wish I were in a position to give more details of the negotiations which are now taking place here in Ottawa, but it would be improper for me to do so at this time.

I hope that at the conclusion of these negotiations I will be in a position to make a statement to the house. As I have said before, after an agreement is reached—and I have confidence that an agreement can be reached—I will refer to the standing committee on marine and fisheries the terms of this agreement before ratification.

I have already mentioned in this house our national fisheries development program the basis of which was set up at a federal-provincial conference on fisheries development which I convened in Ottawa last January. I explained, too, that this was also a forum for the views of industry as well as of government, since briefs were received at that time from the Fisheries Council of Canada and from fishermen's representatives from various areas.

The progress made as a result of this conference is quite heartening, and I think this is the proper time and place to report on it. A number of projects are now well under way as co-operative efforts between federal and provincial administrations. These include the following:

1. The development and demonstration of trawls suitable for rough bottom, so that our Canadian fishermen can exploit grounds now being actively fished by foreign vessels.

2. The modification of small boats for inshore dragging and introduction of Japanese-type mechanical squid jigging equipment—this is in the Newfoundland area.

3. Demonstration of the construction and operation of the western or Pacific trawl in Nova Scotia and New Brunswick waters.

4. The charter of a Norwegian whaling vessel, with her crew, to learn and to demonstrate the possibilities of reviving the whaling industry on the Atlantic coast.

5. The improvement of trawling operations for ground-fish off the Pacific coast.

6. A survey is being made of the Irish moss resources in New Brunswick and Prince Edward Island and a few days ago I made the announcement that a site had been selected on Prince Edward Island for the construction, with assistance from the Atlantic development board, of an Irish moss drying plant.

7. The exploration of a new scallop bed off Shippegan gully.

8. Experimental and development work in Quebec on fish-finding gear towed by helicopter.

9. The development and introduction of improved lobster processing line techniques in Quebec plants, and

10. Work in collaboration with ARDA on a project to improve the inshore fishery in northeastern Newfoundland.

During the conference it became obvious that there was a need for regional federal-provincial committees similar in concept to the federal-provincial Atlantic fisheries committee which was established in 1958 to co-ordinate programs for fisheries development, and the federal-provincial committee for Ontario fisheries. Consequently we now have a federal-provincial committee for British Columbia fisheries and a federal-provincial prairie fisheries committee. All these federal-provincial regional committees are of inestimable value in that they constitute formal consultative bodies which can discuss and deal with questions of common interest such as marketing, research and fisheries management generally. A sport fishery advisory committee has also been established in British Columbia.

Agreement has been reached to include officials of the departments of northern affairs and citizenship and immigration on the appropriate committees when subjects affecting Northwest Territories development are to be discussed.

Restriction of entry into the lobster fishery has been considered at regional federal-provincial meetings; so has the subject of limitation of entry into the Pacific salmon fisheries, and there have been discussions on fish farming, in particular, with respect to commercial trout farms. A good deal of background material on this subject has been prepared and these matters are under active consideration.

The control of pollution of our waters remains a subject of vital interest and much information has been collected. The fisheries research board has been in consultation with the national research council concerning the establishment of an intergovernmental committee on pollution to ensure the availability

of complete information. It is hoped that work on salt-water pollution in the Atlantic region can be started and that the work already carried out on the Pacific coast can be strengthened.

Discussions have taken place with the Department of Labour and with provincial authorities on vocational training and education for fishermen, and my department is creating an educational unit to co-ordinate activities in this connection.

Then again, as a result of recommendations made during the federal-provincial conference, a fisheries-related approach to improvements in harbour works has been discussed with the Department of Public Works and the Atlantic development board. Discussions have also taken place with the Department of Finance concerning improvements to the Fisheries Improvement Loans Act. The provincial authorities and the industry are being asked for their views concerning credit facilities for fishermen and possible inadequacies in the existing legislation.

In addition to the programs already mentioned, many other industrial development projects are under way. Powered gill-net haulers are being introduced, synthetic cod gill-nets are being tested in areas where they have not yet been used, and we are experimenting with synthetic materials for cod trap construction. We are also working on a prototype of a mechanized gillnet boat capable of multipurpose fishing operations, and we have introduced porbeagle shark fishing gear and techniques in the Atlantic provinces.

Modern methods of seining herring in western and southern Newfoundland also are being demonstrated to ascertain the commercial potential of such operations in those areas. New techniques in salt fish drying, using high speed equipment developed in the department, are being demonstrated on a commercial scale for the benefit of industry, and we are producing, on a pilot plant basis, commercially acceptable instant fish-potato flakes.

We are working on a design of a deep sea stern ramp trawler to meet the specific Canadian requirements for ground-fish trawling operations and are experimenting with an electrified trawl.

In Nova Scotia we are studying the distribution and abundance of herring, whiting, argentines and sandlaunce, which are species of small fish not yet exploited by Canadian fishermen. The object is to develop offshore trawling gear and techniques so that this situation may be remedied. Scottish methods of Danish seining are being tested to increase the efficiency of this technique, and we are hoping to develop a distant water tuna fishery, using large seine boats.

A new and promising design for a plastic lobster trap is being tried out on a commercial scale in Prince Edward Island, where we also hope to encourage offshore herring seining methods, like those used in Iceland, in order to meet European orders for frozen herring. We are aware of the great potentialities of fishing for pelagic fish in the gulf of St. Lawrence and we are prepared to meet this challenge. Crab fishing operations are under way in the Northumberland strait, and we are hoping that a crab fishery can be developed around the Magdalen and Anticosti islands. We anticipate good results from a manually operated hydraulic clam digger developed by the fisheries research board for clam beds in the maritimes.

In British Columbia one of our aims is to diversify fishing operations off the Pacific coast by the introduction of better trawling operations for groundfish, and we are working on an improved refrigeration system for use in the halibut fishery in distant areas.

The foregoing are just some of the many projects by which the department hopes to aid all segments of the fishing industry in all areas by increasing the efficiency of the fleets, the gear and the techniques.

Significant advances have been made by industry in providing facilities to increase their processing capacity and to expand the variety of fish and shellfish products available to an increasingly quality conscious public. The department's program for the inspection of fish plants and fishery products to ensure the production of good quality fish under acceptable sanitary conditions will receive added impetus with the passing of regulations providing for the compulsory registration of fresh and frozen fish plants effective April 1, 1965. This will involve assessment of construction, equipment and processing procedures in some 260 plants across Canada. Initial registration will be granted when a plant meets specified minimum requirements in these categories. The eventual success of the program will depend upon active enforcement of the requirements through frequent plant visits by a well trained inspection staff.

Complementary to the development program for improved product quality at the processing level has been the department's work in the fields of fish boat inspection and

dockside grading. As an outcome of the federal-provincial conference on fisheries development, which pointed to the need for improvement in the quality of fish as landed, more emphasis has been placed on these aspects of inspection. Regulations are being developed for adequate sanitation and handling methods on fishing boats. Educational material is being prepared for the assistance of fishermen in handling and caring for their catch, and also for those handling fish at the retail level.

The department's laboratories are responsible for the inspection of domestic and imported canned fish; experimental work on the development of new and improved standards for canned and other types of fish; shellfish toxicity control programs; the bacteriological control of fresh and frozen shellfish plants and the purity of plant water supplies. These services are provided by permanent or mobile laboratories as the need dictates. In this connection it is proposed to replace the mobile laboratory facilities in northern New Brunswick with a permanent laboratory. We hope that this new laboratory which will be established at Shippegan in the centre of a 35 to 40 million pound yearly production will be in operation for the 1965 season.

Unsatisfactory water supplies for processing operations have been a major factor in a number of plants being unable to attain the Canadian government specifications board standards for approved plants, and this will undoubtedly be a factor in the plant certification program. Water supplies received attention in a number of briefs presented to the federal-provincial conference and it is encouraging to note that the Atlantic development board has taken an active interest in the matter of plant water supplies. Survey data, which may lead to the development of projects aimed at improving water supplies, are presently being reviewed. The department's laboratories will continue, and expand where necessary, participation in these surveys.

You will note that the expenditures for conservation and development of the fisheries resources are mainly to provide for the usual supply, maintenance and replacements in our protection organization, which is naturally widespread, as well as to continue and to expand the fish culture programs on both coasts and in the freshwater areas. These programs are increasingly important because fishing pressure, both commercial and for sport, becomes stronger every year. I think that most hon. members are aware that scientific and engineering skills are vital to proper resource management, and I can say confidently that fish culture development in Canada is as advanced as any in the world; in fact, methods we have developed, such as the building of successful artificial spawning channels, are copied in other countries.

The Acting Chairman (Mr. Lachance): Order. I am sorry to interrupt the minister but his time has expired.

Some hon. Members: Carry on.

The Acting Chairman (Mr. Lachance): Does the committee consent to the minister's continuing?

Some hon. Members: Agreed.

Mr. Robichaud: Thank you, Mr. Chairman, and I thank hon. members for allowing me to complete my remarks; I shall not be much longer.

I have mentioned the education of fishermen, but we also have another educational program which extends right across the country, directed at consumers. The object, quite simply, is to get Canadians to eat more fishery products in the home, in restaurants and hotels and in institutions. Departmental home economists work out of test kitchens in the major centres, giving demonstrations of fish cookery and convincing more and more people of the value of fish as food. As a result of these demonstrations and by the use of various kinds of publicity, we distribute thousands of pieces of consumer literature every year, and the highly successful "Canadian Fish Cook Book" is recognized as a final authority—indeed, a United States publisher is even now inquiring about publication rights in that country. Film and filmstrips, produced for the department by the national film board, are widely circulated and in several instances have won international awards for excellence. Departmental publications, as well as displays and exhibits at conventions and meetings where fish is a relevant topic, are also used in our consumer educational program. Other printed or filmed educational material is produced directly for the benefit of the industry and the fishermen themselves.

As I stated at the beginning of this review, conditions in the fishing industry in 1964 have been encouraging. Prices generally have been satisfactory. However, price support was necessary to relieve a 1963 surplus production of sauger in the prairie provinces, where markets were weakened by a temporary reduction in the demand for

smoked fish. Assistance also was given by the fisheries prices support board to expand the markets for pickled herring, mackerel and alewives, following a curtailment of shipments during 1962 and 1963 due to political and economic difficulties in some of the Caribbean markets for these products.

The Newfoundland bait service is continuing its program of expansion and modernization. A new vessel, the C.G.S. *Arctica* was commissioned in July, has a larger capacity and greater storage space than its predecessor, and will provide bait service to many isolated communities in Newfoundland. In addition, two new trucks have been added to our facilities so that we can take advantage of the expanding highway network in the province. We are also making the most out of this year's run of squid so that we should be able to meet all the bait requirements of the coming year. In fact, instructions were recently issued to purchase an additional two million pounds of squid for storage for next year's bait requirements in Newfoundland, in addition to quantities of herring and capelin already in storage.

The department's fishermen's indemnity plan—which provides low cost insurance for small fishing vessels—continues to expand. At the present time more than 6,800 vessels, valued at about $25 million, are covered by this insurance scheme. We have initiated a study of the possibilities of extending the indemnity plan to the inland fisheries, as well as extending the scope of the operations to include fixed fishing gear and shore installations. It is expected that this study should be completed before the end of the year.

The scientific investigations which are vital to successful management of the fisheries are carried out by the fisheries research board of Canada, which is actively engaged in studies of aquatic animals in the three oceans that touch Canadian shores and in several of Canada's many lakes.

An appreciable amount of research is directed to meeting requirements of a number of international fisheries commissions. Investigations are carried out on fisheries technology aimed at improving the quality of fisheries products.

Among the highlights of the current year are the following: 20 authentic returns of pink salmon have occurred to date in St. Mary's bay, Newfoundland, from 2.5 million eggs taken in British Columbia and transplanted in North Harbour river, Newfoundland in 1962. This number may seem small to many of us, but I want to assure hon. members that it is quite significant to the scientists of the fisheries research board who are proceeding with this program. In fact, larger planting involving 10 million eggs is planned for this fall.

Progress has been made in studying the survival of young Pacific salmon in the sea with a view to predicting the abundance of major salmon runs. The important Atlantic fishing grounds were surveyed and valuable information obtained on the condition of various stocks of fish. The behaviour of fish is being studied as a basis for improving the design of fishing gear. Greenland cod have been found in moderate abundance in western coastal Arctic waters. The substance responsible for causing off-odours in Labrador cod fillets has been identified. Significant progress has been made in devising pumping equipment for unloading fish such as salmon. The process for preparing fish protein concentrate has been modified to permit use of a wider variety of fish.

Seventeen new research projects have arisen from deliberations at last January's federal-provincial fisheries development conference. On the Atlantic coast the main research emphasis will be on utilization of underexploited species—capelin, herring, sharks, tuna, swordfish, whiting, argentines, and others. Further work is also planned on lobsters, particularly on the prevention of losses in holding pounds, and intensive work is under way on various aspects of the processing of Newfoundland cod. On the Pacific coast, major efforts will be directed to studies of coho and chinook salmon in relation to sport and commercial fishing conflicts, and on increasing sockeye salmon production on the Skeena river.

Biological aspects of oceanographic research are being expanded to complement the growing program in physical oceanography by the Department of Mines and Technical Surveys. The board is playing a leading role in the establishment of an oceanographic information service which will provide background for fisheries forecasting.

A new research vessel, the *E. E. Prince* will be constructed to work out of the biological station at St. Andrews, New Brunswick. Construction of a new laboratory to house the Arctic biological station is proceeding at Ste Anne de Bellevue, near Montreal, and occupancy is expected in mid-1965. Plans are being made for extension of the main building of the biological station at Nanaimo, British Columbia.

I have tried in this review to cover the present situation of the fishing industry and to outline the work being carried out by my department. No doubt further questions will occur to hon. members as the items are considered, at which time I shall be happy to answer them.

Mr. Chairman, before resuming my seat I should like to repeat what I said yesterday in reply to a question regarding the killing of seals. This is an important matter to which reference has been made on several occasions during this present session and in respect of which there is general interest throughout this country. My department has received close to 2,000 letters concerning the seal operations. As I said yesterday, it is our intention to amend the regulations in this regard. A meeting was held on May 19 in Moncton with representatives of the industry, a number of fishermen and a representative of the humane society. The draft amendments have now been prepared and a second meeting will take place here in Ottawa on October 1. We intend to discuss with those parties concerned, and who have a special interest in this operation, the amendment we have in mind, and I am confident that the amendments finally introduced will meet most of the problems which have been referred to us in recent months.

In closing, I want to express my sincere gratitude and appreciation to the personnel of my department, involving approximately 225 employees at headquarters here in Ottawa and some 2,000 in the field from Newfoundland to British Columbia. All are dedicated public servants, conscious of their responsibilities, and anxious to devote their knowledge, time and energies for the betterment of individual fishermen as well as of all those interested in this vital industry.

Mr. MacLean (Queens): Mr. Chairman, I know the committee is grateful to the minister for his review of the activities of the fishing industry in Canada during this past year and for his review of the Department of Fisheries. It is not the intention of the official opposition to engage in a prolonged debate, at least on the first item of these estimates, in view of the fact the fiscal year is now well spent, and in addition, in view of the important legislation dealing with fisheries generally that has been placed before parliament this session. That is not to say we will not be critically and objectively, I hope, looking at some of the various items in this department's estimates as they are called one by one.

I am grateful to the minister for pointing out the evident growth of the fishing industry in Canada during the past year. This is something from which both he and I, in common with many thousands of Canadians, can take great satisfaction. I think in all modesty both he and I can, along with 2,000 or more devoted civil servants in the Department of Fisheries, deserve some of the credit. However, this is a phenomenon which is bound to occur as world populations increase, and especially as the total population of North America rapidly increases, because there is bound to be a greater demand put on sea resources, as far as the production of high protein foods is concerned.

I have noted that in total, as far as these estimates are concerned, there is an increase of $602,500 in salaries and civilian allowances over the previous fiscal year, and the total increase in the department's estimates is something like $395,000. So, apart from the increase in wages, which I presume is due mostly to salary raises rather than an increase in staff, there has been a slight net decrease in the main estimates of the Department of Fisheries. As has been said by members of this committee in commenting on these estimates in previous years, I think this is one department where there should be a continuous growth or at least some growth in expenditure, because many additional things have been required in the development of the fishing industry over the years and many things can be thought of that would be beneficial if we had the money to spend on them. Many of these were discussed at the federal-provincial conference on fisheries. The conference in itself is no doubt beneficial because it accelerates and broadens the scheme of co-operation with the provinces that has been going on for many years. Nevertheless there cannot be a very great increase in activities in this connection unless the government and parliament are prepared to recommend greater expenditure in some of these fields.

I am not suggesting that there should be a sudden increase in expenditure but I think there should be an increase sufficient to provide many of the benefits that members of the committee are aware could be provided with additional expenditure. I am thinking not only of research but of the application of new fishing methods, industrial development needs, for example, conservation and inspection and all the various directorates of the Department of Fisheries that on the whole are doing an excellent job, and have

been over the years within the limits of the money available to them for expenditure. I realize it is only a few months since the conference was held, but no doubt in the next fiscal year there will be increases such as I have suggested in the estimates of the Department of Fisheries. I would hope that the government would see fit to refer next year's estimates to the standing committee on marine and fisheries some time during the winter months in the present fiscal year so that the committee will have an opportunity to make a thorough review of the activities of the department, to refresh their memories and to be brought up to date on developments in the industry generally.

I was pleased that the minister mentioned the legislation passed by the house regarding the 12 mile limit, but I regret that so far as the general public are concerned there has been a great deal of misunderstanding about what the situation is. I recognize that the minister has not been particularly guilty in this regard, but in recent election campaigns some of his colleagues created the impression that immediately the government came to power our territorial waters would be extended to 12 miles and that conditions within that 12 mile area would be exactly the same as they have been within the historic three mile territorial sea where no foreigners fish.

I am pleased to note that the act has been brought into effect, but I note that an order in council was passed on July 17 which exempts the fishing vessels of a number of countries, the United States of America, France, Great Britain, Portugal, Spain, Italy, Norway and Denmark for the time being at least from the application of the legislation excluding foreign fishing vessels from the 12 mile territorial sea. I hope that at some time during the course of the minister's replies he will be able to give the committee some indication of what the policy of the government is going to be in this regard. If there is going to be a phasing out period for these countries, what are the terms going to be? Are some of these countries going to be excluded from the application of the act indefinitely, I hope the minister will be able to answer no. In actual fact the situation at the present time is much the same as it has been in previous years, with the exception that no additional foreign fishermen can come within the 12 mile limit.

I also hope that at an early date the government will be able to announce the co-ordinates to be established under this legislation which will close off large bodies of water and make them national waters of Canada. I should like to think that this will be done before next spring. In particular, so far as sealing for example is concerned, I would hope it would be done early enough to exclude foreigners from carrying on sealing in the gulf of St. Lawrence and the strait of Belle Isle, those areas where they have customarily killed seals in previous years. I would hope that the co-ordinates would be established in time for that and that there will be no exception so far as sealing is concerned.

I am pleased that the minister brought up the question of sealing. I am concerned not only about the humane aspect of the matter involving the methods of killing but also about the conservation of the resource. We should remember that another valuable species of sea mammal existed in huge numbers in the gulf of St. Lawrence in early times but became completely extinct some years ago. I refer to the type of walrus that existed there. The seal stocks are exploited by a number of countries and they should be the subject of urgent conservation agreements. I commend the minister and the department for taking action to have seals included in the ICNAF treaty.

There are a number of other points I should like to mention. The minister referred to the progress of the negotiations for the extension of the north Pacific treaty. I cannot emphasize too much the importance of arriving at an agreement to protect particularly the species of fish on which Canadian taxpayers have spent considerable sums of money over the years in providing fishways, artificial spawning grounds and so on. I trust that these types of fish will be recognized as ones in which Canada has a special interest and a degree of proprietary ownership, regardless of where they happen to migrate in the Pacific ocean. I hope that something equivalent to the principle of abstention will be included in the new treaty.

I do not want to dwell at length on other aspects at the present time, but when the items are called the minister might bring us up to date on the progress and success or otherwise of the big Qualicum project, the matter of lamprey control in the great lakes with lampricide, and perhaps give us a more extended review of the shipbuilding and replacement plans of the department. I may say that during the period I was the minister, the department found it necessary to replace quite a number of vessels of smaller size. But in addition to that, as I recall. we had to re-

engine the *Howay* and *Laurier*, build a new *Cygnus*, also the *Cape Freels*, the *A.T. Cameron*, the *G.B. Reed* and initiated the replacement of the old *Arctica* which the minister has reported is now in operation. Perhaps the minister would say a word about other major programs so far as ship replacement is concerned.

I was interested, as I am sure other members of the committee were, in the report the minister gave in connection with joint programs with the provinces with regard to the development of the industry, not only in methods of catching, processing and so on, but in other phases such as the possibility of commercial fish farming and matters of that sort. I think he left the implication, and I do not believe it was intentional, that all these programs stemmed from the federal-provincial conference on fisheries. Most of these programs, of course, have been going on for years between the provinces on the one hand and the federal department on the other.

I commend the minister for the interest he is showing in additional educational programs in co-operation with the provinces for fishermen, because this is a highly competitive international industry in which we cannot depend on having any built-in advantage so far as competition with other countries is concerned. We, in many cases, exploit a common resource upon the high seas. Therefore it is essential that the industry is engaged in by people who are of the highest skills and capabilities in order to compete effectively with the high standards of technical training which have been a common situation in Europe, and no doubt in Japan and the other countries with which Canada now competes. Of course the minister no doubt recognizes that the opportunities in this regard are greater than they were because of the great developments in the building of technical and other schools as a result of joint programs between the Department of Labour and the provinces over the last number of years.

I commend the minister for keeping his remarks non-political, because this is a non-political department and we are all interested in its progress. Some statements that have been made by some of his colleagues during previous election campaigns are regrettable. Some of these statements indicated these people were not as knowledgeable as they should be with regard to the fishing industry, and it would seem evident they hoped they were speaking to an audience which was not very well versed in the problems of the fishing industry because they were trying to create the impression that any difficulties of the fishing industry were due almost solely to the minister who happened to be the head of the department at the time. I hope that this sort of thing will not happen in the future. I take no official credit, but when I headed the department I had the honour of being the head of a department manned by some of the finest, most capable civil servants in Canada, and perhaps anywhere in this regard. I would say the main limitation on progress so far as the Department of Fisheries can initiate it and stimulate it, is chiefly lack of funds. There is no lack of technical knowledge, skill and desire concerning what is beneficial to the fishing industry. There have been unfortunate statements made in the past, as I have said, by some of the minister's colleagues.

I note that one of the items which has increased is the cost of publications and advertising. Perhaps the minister might consider running an advertisement in some of the newspapers in the fishing areas stating that the outlandish and extravagant promises made by some of his colleagues in the heat of election campaigns should not be taken seriously by the fishing industry.

Mr. Robichaud: Before you recognize the next hon. member, Mr. Chairman, may I correct now what I am sure the hon. member for Queens (Mr. MacLean) inadvertently overlooked. He stated the total amount by which the estimates were increased was $395,000. There is also an amount of $1,588,000 in the supplementary estimates, which makes the over-all increase $1,982,000.

Mr. MacLean (Queens): I was aware of that. I was reading the comparison of the main estimates on the sheet in the back of the book.

Mr. Barnett: At the outset of my remarks, Mr. Chairman, I should like to say that I find myself in complete agreement with both the minister and the hon. member for Queens (Mr. MacLean), the former minister of the department, when they referred to the fact that most of the success so far achieved in enhancing the development of the fishing industry in Canada has resulted from the fact that we have a small but devoted band of public servants in the administrative and scientific areas of the department. I certainly wish to join with the minister and the previous speaker in expressing my appreciation, on behalf of this party, of the kind of service they have given to Canada and to Canadian fishermen in particular.

The hon. member for Queens (Mr. MacLean) suggested that this was not a political department. He made reference to some statements which apparently have been rankling him a little bit and which were made by members or former members of this house. I would agree with him that in the sense of the word "political", which was obvious from his remarks, by and large the Department of Fisheries has not been a political department. Nevertheless I would suggest that in the proper use of the term "politics", it is as much a political department as any other department of government and that questions of policy developed with the knowledge of our fishing resources present and potential, are very much matters of urgent political consideration in this country. They certainly should be of urgent consideration to the members in this house.

The minister in his statement gave us as comprehensive an outline of the activities of the department during the past year as I suppose one could expect from him in a single speech. Most of what he said, on the face of it, sounded as if there had been some pracical achievements. However, before the consideration of the estimates has been concluded, we might wish to analyse and discuss some of the particular items to which he referred, and probably raise some questions on matters to which he did not refer.

The hon. member for Queens (Mr. MacLean) has mentioned one or two of these. There are a number of other matters that are of great concern on the Pacific coast of Canada at the present time to which the minister did not refer. I mention for example the question of licence limitation which is, I think, a matter of great and urgent concern. There is the whole question as to what developments can and should take place in the field of the rights of fishermen in the matter of collective organization, a situation which I think the minister cannot but agree is in a rather unhappy state at the present time in British Columbia because of apparent misunderstandings as to where jurisdiction lies. We have had many unnecessary upsets in the fishing industry in British Columbia due in large part to the fact that there seems to have been no proper exercise of jurisdiction at the government level. Here again the question of federal and provincial jurisdiction seems to enter into it.

The minister in his remarks confined himself almost entirely to what I would call the day-to-day operations of the department and the industry within Canada. But I feel perhaps it might be useful, in the context of our initial consideration of the estimates of the department for this year, if someone said a few words about the relationship of Canadian fisheries to the situation in the world as a whole. I certainly cannot pose as any authority in this field so I would like, if I may, to draw briefly from what has been said by someone whom I believe—and I think most members will agree with this—is recognized and regarded as an authority in this field. I should like to put on the record one or two quotations from statements which have been made by the recently retired director of the fisheries division of the food and agriculture organization of the United Nations, Dr. D. B. Finn. First of all, Mr. Chairman, if I may I would refer to an article which appeared in the *Financial Times* of London which the Toronto *Globe and Mail* thought significant enough to reproduce in June of last year at a time when Dr. Finn was still occupying the post of director of the fisheries division with the United Nations. This statement is as follows:

> The most recent statistics show that in 1961 man made his best annual fish catch in history—41,200,000 metric tons.

I suppose these figures are slightly out of date today; the minister indicated that there had been a considerable rise in the last year in the total tonnage of catch in Canadian waters and this may very well apply in some other areas of the world. However, Dr. Finn in his article goes on to point out:

> About 80 per cent of this was taken north of the equator, much of it from a few traditionally rich grounds whose names have rung with adventure for centuries—

He goes on to name some of the well known fishing banks adjacent to Europe and adjacent to our eastern shores. He refers to the banks in the East China sea, the Yellow sea and the Kuroshio current, which he says have traditionally supplied the great fish markets of the Far East. Dr. Finn then goes on to say:

> But the traditionally good fishing spots are beginning to show signs of depletion. Within the past few years two trends have resulted. First, as resources dwindle, nations have extended their national fishing waters, increasing international problems. Second, fishing is done much farther from home than ever before and catching is combined with processing at sea by the more developed countries.

I believe those remarks are quite significant in view of the fact that, as the minister has indicated, Canadian negotiations in the international field are going on at the present time. While I do not wish to go into that question today in my remarks, nevertheless I make reference to this matter because I

think it points up what some of us in the house have been trying to suggest, namely the urgency and importance of the Canadian government developing satisfactory arrangements with other nations who are interested in the fisheries of the high seas. Dr. Finn in this article goes on to mention another matter. He says:

> Two other significant occurrences have influenced fisheries since about 1956. The first is what appears, from slim statistics, to be an upsurge in China's fishing industry. The second is the tremendous growth of the Peruvian fishmeal industry. Peru now catches more than 12 per cent of the entire world catch—a take composed almost entirely of the finger-length anchovy and used almost entirely for animal feed.

The impact of that activity on the part of Peru has not, I think, been without its effect upon certain aspects of the fishing industry on the west coast of Canada. Then Dr. Finn goes on to put our position in perspective with other fishing nations of the world in these words:

> In terms of amount of fish caught, the greatest fishing nations rank thus: Japan, China, Peru, Russia, the United States, Norway and Canada. The 1955-59 average catches for the top seven add up to more than half the average total catch of the 73 countries which take 98 per cent of the world catch. In 1959, Britain ranked eighth among fishing nations; in 1961 she ranked eleventh, behind Spain, south and southwest Africa and India.
>
> Part of the explanation for the world catch increase (more than 27 per cent since 1958) lies in today's higher-powered, longer-ranged fishing boats and their modern gear. The largest and most modern of the world's fleets belong to Russia and Japan. Their ships roam almost every sea. Boats of more than 300 horsepower comprised only 6 per cent of the 1960 Soviet fishing fleet, but these boats took 76 per cent of the 1960 Soviet catch.

Then Dr. Finn goes on to describe how both the Japanese and the soviets have developed methods of catching, processing and preserving the fishing products on the high seas in their modern vessels. Later in this article, however, Dr. Finn points out:

> Meanwhile, the majority of the world's fishermen still put to sea under oar or sail, many thousands in craft that have undergone few changes since prehistoric times. In large areas of the tropics, one fisherman catches about one ton of fish a year. The rough figure in developed countries is more than 100 tons per man per year.
>
> Despite the far-ranging trawlers, man has not yet made more than a gesture towards exploiting the larger potential of the seas. It is estimated that 90 per cent of sea productivity is never harvested by man.
>
> Since 1955 the Japanese have discovered at least nine new rich tuna areas in the south Pacific and Indo-Pacific. Rich catches are reported from the gulf of Guinea and the north Pacific. The southern seas are virtually untouched.

Dr. Finn then goes on to express his considered opinion in this regard:

> The sea can be made to produce more—through species transplantation, for example.

Then he makes reference to the attempt made to transplant Pacific salmon species to the Atlantic coast of Canada and points out that the Soviet union has transferred Baltic herring to the sea of Azov, thereby doubling the growth rate of the species. Later in the article, Dr. Finn suggests—and I quote him again:

> Artificially induced upwelling to carry rich seabed nutrients nearer the surface has been proposed to increase fish catches. Slow nuclear reactors lowered into the deeps may, some time in the future, overcome the problem of the tremendous amounts of heat energy required. Direct fertilization especially in narrow bays, may prove successful. Elimination of the major predators of fish would no doubt increase catches. But in this, and in every other instance, the sea's life balance must be preserved and as yet we know too little of these life cycles.

As I said at the outset of my remarks, there might be some virtue, as we discuss the activities of the Department of Fisheries, in making some reference to the position occupied by Canada in relation to world fisheries problems, placing our own situation in total perspective. I should like, if I may, to refer to another article expressing the views of Dr. Finn—an article written shortly after he had retired from his position as director of the fisheries division of the food and agriculture organization of the United Nations. This appeared in the March, 1964 issue of *Western Fisheries*:

> The lack of wise management of the world's fisheries resources seriously restricts man's ability to reap a maximum harvest from the sea, according to Dr. D. B. Finn, who retired January 31 as director of the fisheries division of the food and agriculture organization of the United Nations.
>
> He blamed the inability to get maximum sustained yield from the sea on the intense competitiveness of private fisheries enterprises and the inability of governments to agree on a common code of discipline in exploiting the oceans.

The article goes on to say that Dr. Finn cited the failure of the international whaling convention as one example of this contention. He is then quoted as saying:

> The result is that the blue whale is now economically extinct. It seems to me that the world is now on its way to this state of affairs at a rapidly increasing pace.
>
> Private enterprise in fishing tends to become more oligopolistic, if not outright monopolostic. Although this may increase efficiency and make possible a better use of capital, it does nothing to relieve the competition between countries for the spoils of the chase. In fact, it may make it worse.
>
> Nor does increased efficiency in catching, per se, do anything to produce wiser cropping to

achieve the maximum yield. Under such regimes, the yield of the sea may be far below its potential production. Eventually only the most efficient private expeditions will be able to make fishing pay. This is not necessarily true for state-operated expeditions which may be able to disregard costs as a matter of government policy.

Dr. Finn is then quoted as saying that one of the other problems is the sheer number of organizations now engaged in fisheries research.

In concluding my use of the knowledge and advice of Dr. Finn, I should like to quote the last paragraph of this article. It reads:

Reduced to its simplest terms, world fishing has two elements—the nature of fishing itself, and the living resource and its response to man's exploitation. Describing the first, he said, "Modern fishing is a fiercely competitive hunt. The hunters and their skills increase daily."

I have deliberately introduced the advice and the knowledge contained in these articles because their author, having occupied such an important post for a number of years, is obviously in a much better position to have expert knowledge on the situation than I am, certainly, or indeed any other member of this committee. I think the quotations which I have put on record from these articles place in perspective some of the questions we must consider in relation to our overall fisheries policies. In my view they provide good ground for the concern which all members of this committee should be showing with regard to the results of our efforts in the course of international negotiation—concern, also, that the government of Canada should take seriously the desirability of these negotiations reaching a fruitful outcome.

I think it is apparent, after reading the speeches made during the debate we had earlier when the bill on the fishing zones came before this house, that some of us did not feel the government was taking these matters seriously enough. In fact I sometimes feel the Minister of Fisheries is being left out, in a little corner of his own, away from the centre of government activity. While he may have received some token assistance from our amiable Secretary of State for External Affairs in connection with certain of these negotiations I think the minister and his small complement of officials are left to wrestle with these problems alone, and that the full weight of the government of Canada is not being thrown into these efforts.

The same might be said regarding our attitude toward internal policies. The minister did make some reference to a federal-provincial conference and to this question of a national policy. I listened carefully to his report of some of the activities which, he said, have already resulted from that conference and I had the feeling, shared apparently by the hon. member for Queens (Mr. MacLean), that many of these activities were already in progress, up to a point at least, before that conference began. Representations were made at those meetings, as the minister will recall, to the effect that what we need is a real national development program. Perhaps I may recall some of the statements which were made with particular reference to fisheries problems on the Atlantic coast by someone who is certainly a better authority on these matters than I can claim to be. I refer to the premier of Newfoundland. I had the opportunity of paying a short visit to Newfoundland a few years ago when I saw a little at first hand of the fishing industry in that province. But certainly the presentation made by the premier of Newfoundland to the conference last January is much more up to date than any personal knowledge or impression I have of the situation there.

Perhaps I should point out that in his introduction the premier of Newfoundland had this to say when he presented his statement to the conference on January 20 of this year. I should like to make reference to a few excerpts from the premier's statement. He said:

A year ago the government of Newfoundland made a presentation to the government of Canada —a presentation that we entitled "National fisheries development".

That, of course, was at a time when the hon. member for Queens (Mr. MacLean) was still minister of fisheries.

In that presentation we talked of a national fisheries policy as distinct from a Newfoundland fisheries policy. We are still talking about a national policy. And we still visualize the regional and the provincial fisheries programs to be developed within the framework of national policy as integral parts of a broad national, all-Canada, coast to coast fisheries development program.

We are not talking about a policy conceived as a system of welfare payments and handout programs. We are talking about policy designed to achieve far reaching development and investment programs that will enable our Canadian fishermen, whether they be in Newfoundland or Quebec, in Manitoba or in British Columbia to make a decent living from the harvesting of the rich resources of the sea the lakes and the rivers of our land. This is what we ask for Newfoundland. This is what we ask for Canada.

Then in the next paragraph Mr. Smallwood goes on to say:

We do not have it today. Today the position of the fisherman is prejudiced by risk and uncertainty in terms of both price and production. Risk and uncertainty means that capital cannot be safely extended; it means that the organization of co-operatives is fraught with difficulty and

danger. In the distribution of income resulting from the catch the fisherman, certainly the Newfoundland fisherman, is in a residual and untenable position.

A little further on he goes on to say:

Gradually the fish resource becomes little more than a product that marginally reduces the necessity for social and welfare payments. The accumulative effect in the long run is a downward economic spiral of the fishing industry.

Then lastly he points out:

—to this date despite good intentions and a great deal of unco-ordinated piecemeal activity, we have largely failed our fishermen. The fish are there, the markets are there, the fishermen are there. But the governments across Canada have failed to devise that national policy which can provide real opportunities for the men who live by fishing.

I think that these words which were uttered at the beginning of this year may form a fairly sound basis on which we can assess the merits of the statements which were made by the minister in his opening remarks about what progress has been made in the development of a fisheries program.

The minister may recall that the premier's statement was made against the context of a letter which he had received from the present Prime Minister, and perhaps it might be useful to recall what the Prime Minister had to say in this letter to Mr. Smallwood which was apparently written on February 13, 1963. He said:

Dear Mr. Smallwood:

I am grateful to you for giving me a copy of the presentation of the government of Newfoundland to the government of Canada on national fisheries development and for the opportunity, as leader of the Liberal party, to express my attitude to these proposals for a national fishery policy.

While, during an election campaign, I could not possibly secure the expert advice I would require to make a judgment in detail of the various proposals, your approach to a national fishery policy is right in line with the declared policy of the national Liberal party, to "take parallel action for the welfare of farmers and fishermen;" and with the objective set out in my speech on February 11: "to ensure the farmers and the fishermen of all Canada their fair share of the national income and opportunities for a better life".

I have no hesitation, therefore, in undertaking, if I become prime minister after April 8, to submit the Newfoundland proposals to the Department of Fisheries and other agencies of government concerned for immediate examination and report, to be followed promptly by the calling of a federal-provincial fisheries conference to work out a federal-provincial program for fishery development to be founded on the principle that national action for fisheries should parallel the action already being taken, and action to be taken, for agriculture.

Yours sincerely,

(Sgd.) L. B. Pearson

Well, Mr. Chairman, there again I think that in approaching our discussion of these estimates the letter of the present Prime Minister addressed to Premier Smallwood in February 1963 provides a very good basis for us to assess the progress which the minister claims is being made in this respect in his department. The hon. member for Queens (Mr. MacLean) made reference to the fact that we have had some rather important fishery legislation. We had one item, the matter of the 12 mile fishing zone, but I do not see anything on the order paper today with respect to fisheries or fisheries development, any action which has to do with the expansion of fisheries credit, or any of these matters. Had time permitted today during questions I had intended to ask the Prime Minister, knowing that he might have commitments which would make it impossible for him to remain in the chamber during the entire consideration of the fisheries estimates, whether he had anything to add to an answer he gave me on February 21 of this year. As the committee may recall, this was shortly after the Prime Minister had made his opening speech of the current session. I had asked him what measures he had in mind to parallel this action as far as the fishery is concerned—he had made some reference to farm credit in his speech—and the Prime Minister answered in these words, which are to be found at page 92 of *Hansard*:

Mr. Speaker, I am very conscious of the fact that I did not mention fisheries in my statement yesterday. It was an omission, but I can assure my hon. friend that assistance to agriculture in the form of broadening the basis of farm credit and in other ways will certainly be paralleled by help to the fishery.

As I say, Mr. Chairman, I did not have a chance to ask the Prime Minister today whether he had anything to add to that, and now he is no longer in the house I hope the minister will arrange that the Prime Minister explain when there is going to be this parallel legislation with the farm credit legislation, the farm machinery legislation and some of these other matters which apparently, in the Prime Minister's view and in the view of the premier of the province of Newfoundland, must be part and parcel of an adequate national fisheries development program. In many ways—

The Chairman: Order. I am sorry to interrupt the hon. member but his time has expired, unless he has consent of the committee to continue beyond his allocated time.

Mr. Barnett: I am just about to conclude, Mr. Chairman.

Some hon. Members: Agreed.

Mr. Barnett: I was simply going to say in conclusion that I think it is not unfair to say that in many ways the Department of Fisheries is the Cinderella of the government departments. From what I have been able to observe, so far at least in this session, I must say that the Prime Minister seems to be acting much more in the capacity of the stepmother to Cinderella than in the capacity of the Prince Charming who is going to come along with a golden chariot to assist his minister to carry forward an adequate fisheries development program for Canada.

Mr. Patterson: Mr. Chairman, it is always very interesting to hear a résumé of the activities of the fisheries department. I think ministers of fisheries have set a precedent from year to year, and it is now being carried on, in that their introductory remarks have been among the most interesting presented by the ministers of any of the departments. On this occasion the minister has endeavoured to give a fairly comprehensive résumé of the work of his department, for which I wish to express our appreciation. I am not going to suggest that the work has been sufficient to meet our expectations and desires, but perhaps we would never be satisfied and would always look for something better and more far reaching. However, we appreciate the statement the minister has made in introducing his estimates.

Reference has been made to the legislation passed recently which extended the territorial seas and fishing limits. The minister is aware that there was considerable dissatisfaction with the extent of the limits provided by that legislation. We were very desirous of having some additions made to the amendments in order to make more real and positive the policies that were expressed and the objectives we desired should be reached. One of those was, of course, a definite setting of the limits or straight base lines. However, we do trust that the minister is pursuing these particular matters with zeal and industry, and we shall look forward in the near future to further statements, we hope setting out the conclusion of negotiations in order to bring into effect what we really desire in this field.

Reference was also made by the minister to discussions currently in progress in respect of the north Pacific treaty, and to the fact that a new draft convention is being discussed.

[The Chairman.]

We hope in the drafting of this convention the minister has remembered many of those recommendations and representations made by fishermen and fishermen's organizations on the west coast, and I refer particularly to the united fishermen and allied workers union. I believe those recommendations set forth very clearly and positively some of the requirements and needs of the fishing industry in respect of this particular matter. As I have said, I trust the minister will give full consideration to these various representations, and we hope that when the matter is finally resolved it will be to the satisfaction of the fishermen and those who are interested in the fishing industry.

The minister stated that before ratification of the new convention it would be submitted to the committee on marine and fisheries. I do not think this particular committee is being used to its full potential, though during this session the legislation dealing with the 12 mile limit was referred to the committee and considerable discussion was entered into at that time. The committee on marine and fisheries could be used to a much greater extent in an endeavour to resolve some of the fisheries problems, and also to draw public attention to many matters in respect of the fishing industry. A very fine suggestion has been made, that as early as possible in another session the estimates of this department should be submitted for the consideration of the committee on marine and fisheries, and I suggest that whenever it is possible, other matters having to do with fisheries should also be referred to that committee for consideration and recommendation.

The minister referred in his statement to the federal-provincial conference on fisheries development which was held in January of this year. He presented a rather lengthy enumeration of projects under way at the present time, but most of them are, I suggest, of minor consideration. Perhaps that is all we should expect this soon after that conference, but we believe that as time passes, and as additional conferences are held, we will be able to look forward to some very positive legislative action in respect of the fisheries development program. Representatives of various provinces presented recommendations and views in respect of fisheries to the development program, and it would seem to me that we are entitled to expect many of these matters to appear before us in the form of legislation before too long.

The minister's reference to the establishment of regional committees was noteworthy,

as this is a very fine development. We are all aware that in various parts of Canada fisheries problems are different, and it is only natural that in order to arrive at solutions to those problems it will be necessary to deal with them on a more or less regional basis. We recognize the importance of overall national policies in this particular field, as well as in any other field, but to be realistic we also recognize the fact that there are local and regional problems which must be resolved at a local and regional level.

I also noted the minister's reference to the sports fishery advisory council which has been established for British Columbia. It seems that the sports fishery is taking an increasingly important place in the fishing industry, and has been the cause of concern to many individuals who are engaged in commercial fisheries. This has also been a matter of real interest to ardent sports fishermen, and therefore it seems only right and proper that this field of interest or endeavour should be given proper consideration.

I hope the legislation to which the minister referred with regard to seal operations will have the desired effect. We all remember the events of the past, when members of parliament were made aware of the very unfortunate practices being followed in hunting seal. It has been stated that these reports were exaggerated, but it does seem that they were of sufficient interest to cause a great deal of concern across this country, resulting in arousing the concern of a great many people about the activities of those engaged in this operation. We trust that the interest the minister has taken and the legislation he will be proposing will be sufficient to take care of this particular situation.

Mr. Chairman, my remarks are very general today in respect of the first item of these estimates, but as we consider the individual items we will perhaps be taking part in further discussions. However, I am sure we are all aware of the tremendous economic importance of the fishing industry to Canada. It has a particular interest so far as food supplies are concerned, the effects of the industry upon our economy, the employment picture and so on. The fishing industry is indeed one of the major industries of our nation.

Coming as I do from British Columbia I cannot help but concern myself with the fisheries as they affect my own province. I have with me today the British Columbia *Government News* for July, 1964. This issue brings to our attention some of the relevant factors dealing with the different industries of our province and there is a brief statement here regarding fisheries. I should like to place it on the record to show the importance of the fishing industry to my province and, of course, the province of the speaker who preceded me and many others in the house. It reads as follows:

> British Columbia fish products in 1963 had a wholesale market value of $76 million. A further $4.1 million in 1963 income is due to halibut landed in United States ports by provincial fishermen and from local processing of imported tuna. Herring production in 1963 reached an all time high. The wholesale marketed value of fish products increased from $57,234,000 in 1952 to $76 million, up 35 per cent, in 1963.
>
> Canada in 1961 ranked sixth in world catch of fish—
>
> According to United Nations statistics.
>
> —and the provincial industry ranks first in Canada in landed and marketed values.
>
> 1963 provincial landed catch was worth $38.5 million versus $46.7 million in 1962. About 15,400 commercial licensed fishermen and another 1,250 men were employed on packers and collectors. The 9,746 boats used to land the fish were valued at $70.9 million and gear and shore installations for boats worth $10 million. Landed values were 59 per cent salmon, 15 per cent halibut and 17 per cent herring.
>
> 1963 exports of fish and marine products of British Columbia were $42 million, and principal markets were United States, United Kingdom, France, Belgium-Luxembourg, and Australia. Western Europe and United Kingdom took over 50 per cent of foreign shipments.

This points out one of the reasons why I am vitally interested in the fishing industry, and I am sure every member of the house recognizes the importance of this industry not only to our province but to the entire nation. Sometimes I think it is a little difficult for members representing inland constituencies to grasp the significance of the fishing industry and to build up the interest that we would like to see. Nevertheless I am sure that every member is aware of its vast importance to the Canadian economy.

One important aspect of the fisheries program is conservation, and we along the coast of British Columbia are very conscious of the importance of conservation programs and procedures. But while we recognize the importance and necessity, many times we become a little irked at the manner in which the procedures followed are implemented.

The minister is well aware of the fact that in past weeks and months the fishermen of the west coast have been quite disturbed about some of the measures being used and the manner of their application. One area of concern involves the inroads by foreign powers

into the fishing industry and the fear has been instilled in the minds of the fishermen that the conservation programs being carried on at the expense of Canadian fishermen are possibly being thwarted by concessions being made to foreign fishermen. I know that the fact that these fears have been expressed so often has been a matter of concern to the minister, and I think it would be very useful and advisable that every possible method should be made use of to make the fishermen of the west coast aware of all the factors involved and to make sure that the expenditure of money, as I have said, is not being offset by concessions made to foreign fishermen as opposed to the opportunities that local fishermen enjoy in these particular areas.

Another matter that caused considerable dismay last year was the way in which the closure regulations were applied on the Fraser river. Many fishermen living along the Fraser river depend largely upon the fishing industry for their livelihood, but it almost seems that when the time comes that they can actually make a little money they are faced with closures which make it impossible for them to obtain sufficient income to see them through. Representations were made with regard to this matter, and I would urge that in the implementation of these conservation measures on the Fraser river every possible consideration be given to the local fishermen in order that they may be able to carry on their activities and earn their livelihood from their chosen profession.

Reference was made by the hon. member for Comox-Alberni to the matter of licence limitation. This is becoming a very live issue so far as the fishermen of British Columbia are concerned. I do not know to what extent studies have been carried on in this field. I hope the minister will be able to clarify the position of the department with regard to the principle of licence limitation because there is a strong feeling that this is necessary in order to meet the needs of that section of the country. My remarks at this time, Mr. Chairman, are intended to be very general, as I stated, and we shall look forward to taking part in the discussion as we come to the various items in these estimates.

Mr. Granger: Mr. Chairman, I echo the sentiment expressed by the hon. member for Fraser Valley that it is always a pleasure to take part in the debate on the estimates of the Minister of Fisheries. This applies today under the present minister and it did under the previous minister, the hon. member for Queens (Mr. MacLean). I believe that members of the house as a whole approach the problems of the fisheries with objectivity and I also believe that not only those members from both coasts of Canada and from the inland fishing areas, but Canadians generally, are aware that the fishing industry is of great importance to Canada and can be and will be, we hope, of even greater importance. As a matter of fact, the intensive expansion of the fishing industry by other nations, many of whose ships appear in the waters off our coast, is an indication of the world wide interest in the fishing industry as mankind strives to find the food that is needed in abundance. Perhaps it is this intensive increase in fishing activity by other nations which provides us with a challenge equally as great as that of the physical needs of the fishermen of Canada. Truly the fishing industry is an industry of great national importance.

Today the minister gave us a very fair résumé of the activities of his department and its plans. I am sure all of us appreciate his efforts to supply the committee with the information it requires. I should like to mention one or two matters in my brief remarks. He referred to the failure of the fisheries in Newfoundland, which is in contrast to the fisheries elsewhere in Canada. Unfortunately Newfoundland did not share in the general increase in productivity which the fisheries of other parts of Canada enjoyed. Although we hope that the latter part of the season will partly compensate for the fisheries failure so far, and although increased prices which fortunately exist will help to compensate for this failure and perhaps will go a long way toward compensating for it, nevertheless it is possible there will be areas in Newfoundland in which the catch will be so small the increase in price coupled with an increase in productivity later in the season, will not compensate for the failure of the fisheries in the early part of the season. I would at this point simply ask the minister to keep in mind those fishermen who are so affected.

I should like to direct the minister's attention also to this matter of the poor catch this year, particularly in the cod fishery. It has been suggested that perhaps intensive fishing off the east coast of Canada is responsible for this. I would suggest that this possibility be not overlooked, and as a matter of fact I would suggest serious consideration be given to this contention. Nevertheless I think it fair to point out that these failures in the fisheries do occur from time to time, and

that there does seem to be a cycle with respect to production. I know that in days before there was such intensive fishing by our foreign competitors, such failures did occur. I ask the minister to have his department look into this matter of the periodic failure of the fisheries, what they are related to, what part over-fishing may play in them and what part natural cycles have to play in them.

I was interested in hearing the minister say that an extension in the bait service is planned. This is really good news. At the same time, I should like to compliment him on the provision he has made for increases in the stocks of bait when we go into next season's fishing. This is a very important forward step because actually a shortage of bait plagues many sections of Newfoundland. I do think it is desirable that a greater number of bait holding units be supplied, and that it will be necessary to have additional cold storage boat services. I do believe it has been demonstrated that although these small holding units, which are suitable for small fishing communities, are of great value, to supply them effectively additional bait will be needed. I ask the minister to keep this in mind, as well as the possibility of the development of artificial bait for commercial fishing.

I should like to mention that the minister's department should keep in mind the possibility of shipping fish fresh by air from eastern Canada to European markets. I believe there is a great potential there as the standard of living and ability to pay higher prices obtains in Europe. Opportunity will begin to open up for Canada to get into the more lucrative aspects of supplying fresh fish to these markets, because fresh fish brings a much better price than either the frozen article or the salted article.

There is also the possibility of exploiting the turbot fishery to a greater extent. The market for salted turbot is shrinking and an alternative market must be found for turbot in another form such as fresh, or canned, if the turbot fishery is to continue—and we hope it can continue. The fishing industry is the oldest industry in Canada. Like all old industries, it is bound to accumulate many problems as it goes along. I do not believe there is any problem of the fishing industry which is not capable of solution. What is quite frequently referred to as the fishing problem is not so much one great problem as it is the accumulation of several smaller ones which taken individually and examined thoroughly, will be capable of solution. In the end this could result in an expansion of this great industry which is essential to Canada and essential to the food supply of the world. The harvest of the sea could well equal in importance the harvest of the land.

Mr. Crouse: It is not my intention to speak at great length and delay the estimates of the Department of Fisheries. However, as the member for Queens-Lunenburg, a riding in which is presently located the largest deep sea fishing fleet in North America, I feel I should make some comments on the problems relating to the fishing industry. I listened with interest to the statement made by the minister and it is evident to me he has made a good start on the fundamental problems faced by his department. It is evident also he inherited a well organized department. I believe we can safely say he has been given the tools, and we know he will accept the responsibility and get on with the job.

Fishing is big business in Nova Scotia. In my province alone the landed value last year represented some $35 million to our fishermen, out of a total landed value in the Atlantic provinces of some $49 million. Canada today is the seventh largest fishing nation in the world. Possessing the world's longest coast line, we are only now beginning to learn something about our continental shelf in areas which have produced such a prolific supply and variety of fish. We are receiving assistance today along this line from the research and development carried out by the oceanographic institute, the first of its kind in Canada, which was opened by the previous administration in 1962 at Bedford basin near Halifax.

While this institute was opened under the direction of the Department of Mines and Technical Surveys, it still has in it a branch of the fisheries department. As a result, our marine laboratories are expanding; graduate students are being trained in all areas of oceanography and research; new research ships are carrying out scientific investigations along our coasts, the latest being the Canadian scientific ship *Hudson*, which was under construction since 1961 and which was commissioned on February 14 of this year. A floating laboratory, it is capable of hydrographic and oceanographic work anywhere in the world, but it will perform mainly, I understand, in the Arctic and Atlantic oceans. We can therefore expect rapid development in this field. We are not alone in this work, for all major maritime nations are now taking part. Throughout the world roughly 50 research ships are constantly at sea carrying

approximately 600 technicians and trained personnel. Through this increase in scientific effort we hope to plug a big gap in our knowledge concerning the earth on which we live. We hope to learn more about the habits of fish which are part of our food resources and which automatically renew themselves.

This study carried on by the department is already producing dividends in the form of a new type of fisheries chart issued by the Canadian hydrographic service to assist fishermen on Canada's east coast to substantially increase their catch. This chart covers Banquereau and Misaine banks which lie off Nova Scotia between Scatarie and Sable island. It is essentially an accurate detailed picture of the shape and depth of the sea bottom, enabling fishermen to select the most favourable areas and banks for fishing. It is a good chart. I have had an opportunity to examine it, and it is very well prepared. This of course is a start; but I cannot urge too strongly upon the minister the need for additional charts of this nature covering many other banks off our coasts which are not now clearly outlined and detailed in this manner. With our expanding fishing fleet it is vitally essential that charts of this type be provided to our captains, who are finding it increasingly difficult to secure greater catches of fish, especially at the present time when our offshore banks are being seriously overfished by large trawlers from other nations.

Speaking of trawlers, Mr. Chairman, I think it is important that I bring to the minister's attention the apparent preference by our maritime fishermen for the wooden trawler *v.* the steel trawler. When the previous administration was in power they instituted the payment of subsidies to encourage the restoration of the shipbuilding industry in Canada. At that time steel ships were subsidized at 50 per cent of the cost of their Canadian content, and wooden ships were subsidized at 40 per cent of the cost of their Canadian content. As a result, the shipbuilding industry today in Nova Scotia is a substantial contributor to the economy of the province. The current boom in Nova Scotia's wooden boat and shipbuilding industry alone is worth more than $10 million a year. All boatyards from Cape Breton island to Yarmouth are operating at maximum capacity. This speaks well for the subsidy policy.

However, the subsidy payment on wooden ships has recently dropped from 40 per cent to 35 per cent, creating a disparity of 15 per cent on subsidy payments between wooden and steel ships. At the same time the costs of wooden ship construction have been increasing, due in part to recent new tax levies. I would therefore urge upon the Minister of Fisheries that he take steps to remove this discrimination against the wooden ship builder. He may well argue that this matter does not come under his department; that it pertains to transport. But in my view, Mr. Chairman, anything that affects the fishing industry is or should be of vital concern to the Minister of Fisheries.

We have seen many changes in the fishing industry in the last 30 years. When I was a boy growing up in Lunenburg, all deep sea fishing was carried out with dories working from schooners on the banks. It was a tough task, and the list of men and vessels lost at sea in the fishermen's memorial room at the Lunenburg community centre tells the story of disasters at sea in the days of sail in the absence of radio and ship-to-shore communications. In those days a fisherman was lucky if he made $1,000 in a year, and yet they built their homes and raised large families. Today the picture is greatly changed, and the few schooners that are still active in the area have been converted into draggers or long liners. The long-liner is a modification of the earlier form of line fishing from a dory, the only difference being that at the present time it is set from the ship and hauled by an automatic hauler.

Perhaps the greatest innovation in recent years has been the catching of swordfish by using the long line method. Last year's swordfish landings were more than three times greater than in 1962, with a landed value of $2½ million. However, though this type of fishing has eliminated the uncertainties of harpooning, it has encouraged more fishermen in 50 or 60 foot boats to travel further out to sea in search of broadbills.

While ranging far from shore they are at the mercy of the elements. This happened on August 3 of this year when the long-liner *Cheryl Ann,* under the command of Captain Charlie Fevens of Yarmouth, became disabled in a 60 mile an hour gale due to engine failure on Georges bank approximately 120 miles from Yarmouth. The captain radioed the Yarmouth marine radio station requesting help, and a government ship, the *Thomas Carleton* was dispatched to his assistance. However upon arrival at the scene the captain of the *Thomas Carleton* advised Captain Fevens that he was not allowed to pull him in but could only stand by so that the crew could be rescued if the fishing boat sank.

Fortunately, a Russian tug was in the area and its captain volunteered immediately to assist and towed the disabled long liner to Yarmouth and safety, free of charge. Apparently the Russians believed in the necessity of protecting the lives of our Canadian fishermen and their ships; and we know from past experience that a similar code exists throughout the United States coastguard, who automatically tow any disabled ships to the nearest port. I would therefore urge the minister to use his authority with his fellow cabinet ministers to bring about changes in the regulations, especially where our fishermen are concerned, so that an incident like the towing of the *Cheryl Ann*, which is looked upon throughout the east coast as a disgrace to our government services will never occur again.

At this time I wish to again refer to the necessity of bringing about changes in our scallop and lobster fishing regulations. I had previously raised this matter when I spoke in the house on July 8, and it was raised on June 22 when the standing committee on marine and fisheries met to discuss Bill No. S-17, respecting the territorial seas and fishing zones of Canada. I have pointed out that Nova Scotia is the scallop province of Canada, with our ships accounting for at least 98 per cent of all Canadian scallop production. In Lunenburg and Riverport alone we today have 53 large deep sea trawlers, with the majority engaged in catching scallops. In 1963 over 16 million pounds of scallops were landed in Nova Scotia, with a value in excess of $6 million to the fishermen; and the figures will be even higher in 1964. This industry is of tremendous importance, not only to our Nova Scotia fishermen but to the Canadian government, for the bulk of this production is sold to the United States, thus bringing in foreign exchange and needed U.S. dollars. But the Fisheries Act, under clause 31 states, that fish are not to be caught outside territorial waters when catching is forbidden in territorial waters. I was hoping that the minister in his statement would say something that would encourage me and the house to believe that this act would be changed. I will place the words of this section on the records so that hon. members will know just what it implies. Section 31 reads as follows:

> No one shall leave any port or place in Canada to fish outside the territorial waters of Canada for fish the catching of which is at such time prohibited in the territorial waters of Canada opposite to or nearest the place where such person proposes to fish, and no one shall bring into Canada any fish caught outside the territorial waters of Canada when fishing for such fish is prohibited inside the territorial waters of Canada opposite or nearest to the place where such fish was caught, or shall bring into Canada any vessels, boats, nets, fishing gear, implements or appliances used in such fishing.

If this act were enforced today the scallop fleet operating out of Lunenburg county, could be legally tied up until October 31 thereby creating untold financial hardship in the industry. In my opinion this section of the act not only discriminates against the scallop fishermen but it also prevents the establishment of a deep sea lobster industry in Nova Scotia. As most hon. members are aware, Nova Scotia is divided into lobster fishing zones. Zone four takes in the south shore of Nova Scotia including Lunenburg, Queens, Shelburne, Yarmouth and Digby counties and the fishermen are only permitted to catch lobsters in zone four from December 1 to May 31. During the remaining six months of the year lobsters cannot be caught and legally landed in this area and this applies not only to lobsters caught on the inshore grounds but also to any lobsters which may be caught by deep sea fishermen. Nova Scotia fishermen are thereby prohibited under clause 31 of the Fisheries Act of 1932 from exploiting a deep sea lobster fishery on Georges and Browns banks and also in some areas of the Grand banks, which could be worth over $1 million per year in landed value.

In 1963, the landed value of all fish caught in Nova Scotia amounted to $35 million, a figure which represents an increase of $12 million over a decade ago. Of this total, an estimated 36 million pounds of lobster brought in almost $18 million to our fishermen. Lobsters are therefore the greatest dollar earner for our fishermen with scallops in second place. However, it is evident we are only scratching the surface, for due to prohibitive regulations we are not taking advantage of the opportunities offered by the deep sea lobster industry. We know a great market exists for lobsters both in North America and in Europe. We know that lobster stocks occupy thousands of square miles off our coastal waters, and these could be called our inshore lobster population. We also know that lobsters may be caught in our offshore waters in an area south of Georges bank approximately 100 miles from Yarmouth. What we do not know is the relation between these two lobster populations. Some marine biologists claim there are actually two distinct lobster populations, while others claim that lobsters hatched in the deep waters offshore are carried by strong currents while in the

free swimming stage and that these lobsters help populate the inshore banks. This is a matter which should receive the attention of scientists in the fisheries department. In my view, common sense tells us that it is wise to carry out conservation measures in our inshore lobster fishery grounds in order to assure relatively good catches and income to our inshore lobster fishermen. However, I question the soundness of carrying out a conservation policy with regard to deep sea lobsters which, in effect, applies only to any potential Canadian deep sea lobster fisherman, while leaving the grounds wide open to fishermen from any other nation wishing to exploit them.

When this question was raised during a discussion in the committee on Bill S-17, the Minister of Fisheries said:

> There may be reasons to amend the Fisheries Act. There may be a reason to amend section 31. There may be a reason and a very serious one to amend section 31 of the Fisheries Act to take care of provisions such as the one mentioned by Mr. Crouse. I think the government—and I am sure I can speak in its name—would be prepared to do this if such a need occurred. But I feel it does not affect the present bill. I agree with Mr. Crouse that the government should take into consideration amending section 31 of the Fisheries Act if there is such a need.

Evidently the minister questioned the need for making these changes; he questioned the potential of this industry. In reply, I should like to quote from an article which appeared in the *Maine Coast Fisherman* which states:

> Captain Frank Moore, president of the lobstermen's association—

This is in the United States.

> —told the committee there were 3,178 lobster licences issued in 1962 for inshore lobstering bringing in $31,780 in revenue to the state.

That is the state of Maine.

> He complained that deep sea lobster draggers—a dozen are now working employing about 75 fishermen—are scooping up lobsters from breeding areas offshore. He argued that the deep water breeding areas are the sources of inshore lobsters.

A little further on, the report continues:

> He said the offshore lobster business was worth more than $1 million to New Bedford fishermen last year. Latest bureau of commercial fisheries statistics show that the January 1964 catch by lobster draggers totalled 161,000 pounds worth $94,000 compared to 95,000 pounds, valued at $53,000, in the same month of 1963.

I am sure it would be possible to develop a large deep sea lobster industry centered on Georges bank. In fact, speaking in a lighter vein, I think it is necessary to amend these regulations even if only to protect the minister and his staff. I had an opportunity recently to visit the Nova Scotia fisheries exhibition and there on display was a 28 pound deep sea lobster. When I inquired from a member of the minister's inspection staff where this magnificent lobster had been caught he told me it had been caught on Georges bank and landed at Lunenburg. I said, facetiously of course: "No doubt you will lay charges against the captain who landed this lobster because it has been smuggled into Lunenburg and is illegally on display." The officials laughed and said they hoped this would not be necessary. I tell this story to show that lobsters are being caught and that they are being landed.

I wish to make two proposals to the minister: First, that he bring in an amendment to section 31. If he does so, I can assure him it will receive prompt and speedy passage as far as the official opposition is concerned. Second, I would suggest to the minister that he then equip the *A. T. Cameron* for lobster dragging for a minimum period of 30 days. This would establish the number of pounds of deep sea lobsters our fishermen could hope to catch and might lead to the establishment of a new industry in Nova Scotia.

I could mention many other items which are also of vital importance, but time will not permit. However, I would specifically mention in closing the necessity for restocking our lakes and rivers with trout and salmon. This would be of great benefit to our tourist industry and any expanded program along these lines would assuredly receive the support of members in all parts of the house.

I hope the minister will give us at a later date a more extensive report on oyster development and the program the department has for restocking the oyster beds. Perhaps he would advise us whether any thought is being given to the artificial breeding and cultivation of clams. I realize the problem is to conserve the clam spat in its early critical stages. Silting, disease, water changes, predators such as starfish all determine the rate of survival of the clam. However, it is evident the Japanese have done great work in this field, and since the raising of clams could provide a supplementary income to our inshore fishermen I hope the minister will give some thought to developing larger stocks of this type of Canadian shellfish.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask the acting house leader whether we will continue

on Thursday and Friday with the estimates in the order already announced?

Mr. MacNaught: We will continue on Thursday and Friday with the estimates as outlined by me last night. That is to say, we will continue with the Department of Fisheries, then citizenship and immigration, public works and forestry.

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

HOUSE OF COMMONS

Thursday, September 24, 1964

The house met at 2.30 p.m.

OATHS OF ALLEGIANCE ACT

AMENDMENTS RESPECTING PLEDGE BY AFFIRMATION

Mr. William Dean Howe (Hamilton South) moved for leave to introduce Bill No. C-124, to amend the Oaths of Allegiance Act (affirmation).

Some hon. Members: Explain.

Mr. Howe (Hamilton South): Mr. Speaker, although I realize that this bill is unlikely to reach second reading this session, I feel it is of sufficient importance to all Canadians and to hon. members in particular to warrant introduction at this time.

The main purpose of the bill is to declare the right of Canadians and those who want to become Canadians to freedom of conscience in pledging allegiance by providing that any person in Canada may affirm his allegiance as well as swear to it. A second purpose is to enlarge the pledge specifically to include Canada as well as the sovereign. A third purpose is to validate oaths that have been taken in the past, as well as those that may be taken in the future, by persons without religious belief. A fourth purpose is to validate affirmations of allegiance that may have been administered in the past where by law an oath of allegiance should have been administered. Finally, the bill would bring the Oaths of Allegiance Act into conformity with the Royal Styles and Titles Act.

The bill would amend the British North America Act to provide that Senators and members of the House of Commons may swear the oath of allegiance with the words "so help me God" or may affirm it. Also, as this bill would be a Canadian act there would be an official version of the oath in the French language.

Motion agreed to and bill read the first time.

CANADIAN BROADCASTING CORPORATION

FREE TIME POLITICAL BROADCASTS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, in accordance with standing order 26, I should like to move the adjournment of the house to discuss a definite matter of urgent public importance.

I move, seconded by the hon. member for Villeneuve (Mr. Caouette), that this house do now adjourn for the purpose of discussing a definite matter of urgent public importance, namely the discriminatory attitude of the C.B.C. toward political minorities in Canada.

Mr. Speaker, this is a definite and urgent matter. I do not intend to discuss it, only to mention it. Here it is. How can the C.B.C. allow two political parties to make themselves heard on a nation-wide hook-up, at public expense, when the three other political parties, representing over 2 million voters, are refused the same opportunity?

That, Mr. Speaker, is a matter of public importance. Now, in the past when motions for adjournment of the house were brought forward, no definition was ever given of what constituted a matter of public importance. Did it have to be important in itself, because of the very essence of the subject to be discussed, or by accident? That still has to be defined. Therefore, we have to go back to motions which have already been accepted, in order to determine whether our motion is important enough to warrant an adjournment of the business of the house.

Since 1962, two motions to adjourn the business of the house have been entertained. On January 31, 1963, the present Prime Minister (Mr. Pearson), then leader of the opposition, moved such a motion in regard to a statement made by the American secretary of state. Recently—

[*Text*]

Mr. Speaker: I think I get the gist of the hon. member's motion. Is he proposing to move

a motion at the end of his remarks? I do not believe he should go into a long debate at this time. Is it his purpose to move that the house adjourn under standing order 26?

[*Translation*]

Mr. Grégoire: Mr. Speaker, I have already introduced my motion and, at present, I am in the act of explaining why in my opinion this motion is urgent and of public importance, and this has always been permitted in the past for all those who wanted to move similar motions.

I can recall—

[*Text*]

Mr. Eldon M. Woolliams (Bow River): Mr. Mr. Speaker, I rise on a question of order. My point of order is that the hon. member is dealing with C.B.C. programming, and that is something that is not within the jurisdiction of parliament but is within the jurisdiction of the corporation. I would ask you to rule immediately that this motion and these remarks are out of order.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, on the point of order, I maintain that the C.B.C. comes directly under the laws passed by parliament and if parliament wishes to make any change in the way the C.B.C. operates and administers its networks, I think the hon. member for Bow River (Mr. Woolliams) is wrong.

Furthermore, in my opinion the question raised by the hon. member for Lapointe (Mr. Grégoire) is quite in order.

Mr. Grégoire: Mr. Speaker, I insist on being given the privilege of establishing that my motion is in order. That privilege was granted in the past to hon. members who presented similar motions, and I maintain that I should be given the same privilege.

I presented my motion and I was saying that since 1962 two motions for the adjournment of the house—

[*Text*]

Mr. Speaker: Order, please. May I suggest to the hon. member that he move his motion if he cares to do so.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I proposed my motion. In fact, I have even sent you a copy and I am now trying to prove that my motion is in order today.

[*Text*]

Mr. Speaker: Order. I do not wish to cut the hon. member short, but I do not think there is any particular difficulty in dealing with this matter. Beauchesne's fourth edition, citation 100, paragraph 3 reads as follows:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

On Monday of this week we had a supply motion and the opportunity was presented, I believe, to debate the matter at that time. That opportunity was not availed of, and at this time in view of the several departments up for discussion I do not see any particular urgency of debate. In my opinion the matter is not one coming under standing order 26.

[*Translation*]

Mr. Caouette: Mr. Speaker, I rise on a point of order. It is true that we could have debated this matter on Monday, at the time the supply motion was brought forward, but at that time we had brought forward, but either from the Prime Minister, or from the C.B.C. Now, I am of the opinion that there is as much urgency today as there was on Monday, but we do not have today the opportunity to consider that corporation's estimates which would enable us to discuss this matter of public and urgent importance for the whole house.

[*Text*]

Mr. Speaker: I know the matter is important, but it is more in the nature of a grievance than a matter requiring immediate discussion. In my opinion urgency sufficient for the proceedings of the house to be set aside so that the matter be discussed immediately does not exist at this time. An opportunity to debate it will be provided very shortly; therefore I do not see any occasion to set aside the ordinary proceedings of the house.

Orders of the day. The right hon. Leader of the Opposition.

[*Translation*]

Mr. Grégoire: Mr. Speaker, I rise on a question of privilege.

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Grégoire: Mr. Speaker, in that case, could I—

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a question of order. You had already called orders of the day when the motion was made; therefore, to begin with, the motion was out of order. You called on me twice, and I hope now I will be allowed to ask my question.

[*Translation*]

Mr. Grégoire: Mr. Speaker, before the house met I sent you a notice to the effect that I intended to raise this matter today; now, here is my question of privilege.

After studying what happened in the past and more particularly, with reference to a precedent established when the leader of the official opposition or any other hon. member introduced a motion to adjourn the business of the house, I noticed that the Speaker always allowed the mover to put forward his argument to show that his motion was important and urgent.

Today you say that the matter is not urgent without even giving us an opportunity to put forward our arguments to demonstrate that the matter is urgent.

That is why I say your decision flies in the face of our privileges in not giving us an opportunity to put forward the proof that the matter is important and urgent.

Besides, I should like to refer to Beauchesne's—

[*Text*]

Mr. Speaker: Order, please. Far from preventing the hon. member from making a statement, I think the Chair has been rather lenient. The decision still stands.

Some hon. Members: Hear, hear.

BROADCASTING

REAPPOINTMENT OF CHAIRMAN OF BOARD—POLICY RESPECTING MULTIPLE STATION OWNERSHIP

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Secretary of State possibly I should direct this question to the Prime Minister. In view of the completion by Dr. Andrew Stewart in the near future of his first term as chairman of the board of broadcast governors, has the government received any indication from Dr. Stewart regarding the question of reappointment; and has any matter been raised with him that there has been interference by the government in connection with the processing of applications for licences or transfers of licences?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. Some time ago I received a communication from Dr. Stewart in which he indicated that he did not intend to continue as chairman of the board of broadcast governors. It was a personal communication, but I would be very glad to inquire of Dr. Stewart to see whether it could be tabled, or a similar communication which would give an indication why he does not wish to continue for purely personal reasons.

Mr. D. M. Fisher (Port Arthur): May I ask, as a supplementary question, has the government come to any policy decision, and particularly has it forwarded a recommendation to the B.B.G. that multiple station ownership of Canadian broadcasting stations is something to be encouraged? I ask this question because it may fit in with the question raised by the Leader of the Opposition (Mr. Diefenbaker), and also because of the decision by the B.B.G. to give Mr. Stirling one more station for his multiple ownership?

Mr. Pearson: I shall be glad to look into that, but I think I can say there is no relation between the two questions.

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to ask the Prime Minister a question. In view of the fact that the Fowler committee is not holding public hearings, and in view of questions which have arisen both with regard to the decision of Dr. Stewart not to serve again as chairman of the board of governors and the apparent emergence of a privately owned radio network, would the Prime Minister consider setting up the House of Commons committee on broadcasting so these surprising developments might be investigated?

Mr. Pearson: Mr. Speaker, I can only say that I will be glad to give consideration to that question in the light of the observations made by my hon. friend.

NATIONAL DEFENCE

LA MACAZA, QUE.—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister whether he has yet reached any decision regarding an independent investigation into the

disturbance which took place at La Macaza, Quebec, in connection with a peace demonstration held there some two weeks ago?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, I have consulted with the Minister of National Defence, who has been in touch with those concerned. An investigation is being made, and the minister will be in a position to make a statement in a day or two.

Mr. Douglas: A supplementary question. Can I ask the Prime Minister whether any interviews are being held with those who have made complaints to the press that they were ill treated during this disturbance? It seems to me that a further investigation by the officials of the Department of National Defence hardly meets the situation. I would have hoped from the minister's reply more than a week ago that an independent inquiry would be made as to whether a full investigation should be conducted.

Mr. Pearson: An inquiry is being made by the minister, Mr. Speaker, and I hope the minister's report on the matter will deal with the points raised by my hon. friend.

NATO—NON-PARTICIPATION BY CANADA IN NAVAL EXERCISE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to direct a question to the Secretary of State for External Affairs. Is Canada fulfilling her obligation to NATO by failing to participate in the NATO naval exercises that are now under way?

Hon. Paul Martin (Secretary of State for External Affairs): My hon. friend knows that Canada is a country that has fulfilled its obligations to NATO.

Mr. Churchill: May I ask a supplementary question. Has Canada some commitment to the United States that takes prior claim over her obligation to NATO?

Mr. Martin (Essex East): As a former minister of national defence my hon. friend knows the answer to that is clearly no.

Mr. Churchill: May I ask the Minister of National Defence, what is the nature of the naval exercises now being carried on by Canada in conjunction with the United States?

Hon. Paul Hellyer (Minister of National Defence): They are naval exercises for the purpose of improving the co-operation which exists between our two countries, which has worked so well in the past and will work even better in the future.

Mr. Churchill: Why are we not joining in the NATO exercises?

COLD LAKE, ALTA.—CONTRACT FOR AIRPORT HEATING SYSTEM

On the orders of the day:

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister tell us whether the department is about to make changes in the heating system at Cold Lake airport and, if so, if this work is being put out for tender?

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

Mr. Nugent: There is considerable apprehension in Edmonton labour circles that the department is negotiating this, and I think it would relieve public—

Some hon. Members: Order.

Mr. William Skoreyko (Edmonton East): On a question of privilege, Mr. Speaker, the hon. member for Edmonton-Strathcona was asking a question that we think is very important, which affects the same city I come from. Communications I have received from Edmonton indicate that a $2 million contract will be awarded in the next day or so to a contractor in the Cold Lake area, and that contractors in the city of Edmonton have not been given an opportunity to bid for this work. Surely we can expect an answer to a question as important as that on orders of the day.

Mr. Speaker: I must say that I did not quite appreciate the urgency, and the matter of two days makes it reasonably urgent. Perhaps if the minister has the answer he could give it.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I will be glad to see the Minister of National Defence has this drawn to his attention.

Mr. Nugent: If I might be allowed, when I was speaking and trying to explain the question, Your Honour started to say this was a question for the order paper; and while I was trying to explain the urgency Your Honour recognized someone else. I sat here for half an hour trying to get the floor while Your Honour recognized member after member further down the chamber. While I do not want to make an issue of this, it does

seem to me that when it takes so long to get the floor Your Honour should give us some kind of recognition when we have a point.

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the fact that the acting minister of foreign affairs in Cyprus announced today that within four or five days Russia will be signing an agreement whereby arms and military equipment will be given to Cyprus; and in view of the fact that we continually hear reports of meetings held by the United Nations but of no decision so far as the situation in Cyprus is concerned, cannot the minister give us some information as to what is actually taking place?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the relationship between the solution of the problem in Cyprus and the current meetings in the United Nations must be clearly understood. The proposal for a solution is one which rests with the mediator and is altogether independent of the discussions which are taking place in the security council. It is expected that the security council will reach a decision today regarding the renewal of the mandate, which has been the subject matter of discussion in the security council for three or four days now. The announcement regarding the purchase of arms from the Soviet union is something I would first like to examine before making any comment.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. Could I ask the Secretary of State for External Affairs whether, in the process of renewing the mandate, Canada has made any representations to the secretary general of the United Nations asking for some commitment by all members of the United Nations not to sell arms to the government of Cyprus during this very troubled period, in order that the United Nations force may carry out its responsibilities with a minimum of friction?

Mr. Martin (Essex East): We certainly have made representations along these lines, Mr. Speaker.

Mr. W. B. Nesbitt (Oxford): A supplementary question, Mr. Speaker. Could the Secretary of State for External Affairs tell us whether the Canadian government is now satisfied that the United Nations force in Cyprus does have genuine freedom of movement? I ask this as a supplementary question in view of the fact that the Cypriot government has apparently alleged that this problem has been solved. Is the minister satisfied that there is freedom of movement?

Mr. Martin (Essex East): Yes, sir.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I have a question for the Secretary of State for External Affairs which is related to questions asked earlier today concerning Cyprus. In view of a report from the United Nations in today's Montreal *Gazette* that the United Nations has given no indication that it in any way agrees with the statement of the government of Cyprus that the problem of the freedom of movement of United Nations troops has now been settled, does the Canadian government take a different view of the matter from that of the secretary general? As I understood the minister a few moments ago, he said the Canadian government was quite satisfied that the United Nations force had complete freedom of movement.

Mr. Martin (Essex East): Mr. Speaker, I have no reason to change my answer. I think my hon. friend has perhaps confused it with the statement made by the secretary general in the current debate on his report.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Prime Minister.

Has the Prime Minister been asked by the Canadian junior chamber of commerce to intervene in order to prevent la Fédération des jeunes chambres du Canada from being recognized on an international level?

If so, what was the Prime Minister's reaction?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I received no such request to intervene in this matter.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

CONFERENCE TO ESTABLISH ECONOMIC PRIORITIES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I direct this question to the Prime Minister in his capacity of reporting to parliament on federal-provincial affairs. In view of the statement of the Minister of Forestry to the economic association of Montreal on Tuesday last, in which he said that the ten provincial governments, together with the federal government, must now establish goals and economic priorities, is it the intention of the government to press for a conference with the provinces as soon as possible in order to establish economic priorities and priorities in the field of social action?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already dealt with this matter in the reply which I made to the communication from the premier of Manitoba. I would add that in the conference which is to take place in a few weeks we will be discussing the establishment of a tax structure committee, and that will have a bearing on priorities.

Mr. Grafftey: A supplementary question, Mr. Speaker. How does the right hon. Prime Minister reconcile that with the concrete suggestion of the Minister of Forestry that it is immediately imperative that economic priorities be established with the provinces as soon as possible?

Mr. Pearson: I will be very glad to read the speech of my hon. friend, Mr. Speaker. It has not been brought to my attention up to the present time.

[*Later:*]

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Justice.

Can he tell us whether his colleague for Drummond-Arthabaska (Mr. Pepin) finally convinced Hon. René Lévesque, of the Quebec government, of the merits of co-operative federalism?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am sure that in a few days the hon. member for Drummond-Arthabaska will have won over every right-minded citizen to the cause of co-operative federalism.

[Mr. Pearson.]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

Is the Minister of Justice suggesting that if the Quebec minister of natural resources is not convinced, he becomes, by the same token, a citizen who is not right-minded?

Mr. Favreau: It is not up to me to explain statements in public.

[*Text*]

ANNEXATION BY BRITISH COLUMBIA OF YUKON AND NORTHWEST TERRITORIES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Secretary of State for External Affairs. Have there been any communications whatever between a member of the government of British Columbia and any member of the government of Canada, or any officials of any department or branches of those respective governments, with respect to Premier Bennett's proposal for the annexation of the Yukon and part of the Northwest Territories?

Hon. Paul Martin (Secretary of State for External Affairs): I doubt it very much, but because I esteem my hon. friend so highly I shall make the inquiries he seeks.

Mr. Erik Nielsen (Yukon): May I ask a supplementary question. When the minister inquires, I wonder if he would convey to Premier Bennett the suggestion that was made by the then sitting Liberal member, Mr. Simmons, that the Yukon extend her southern boundary to the 54th degree of latitude in the province of British Columbia.

HOUSE OF COMMONS

CERTAIN GROUPS NOT INCLUDED IN PAY INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council. In view of the fact that the pay increases for members of the staff of the House of Commons announced last week were said to be related to pay increases in the civil service, can the President of the Privy Council tell us why certain sections of the staff, notably the protective staff, the messengers and the tradesmen have not yet had any increases?

Hon. G. J. McIlraith (President of the Privy Council): Yes, Mr. Speaker. The reason is that the groups to which the hon. member has referred would be related to what is known as group D, under the cyclical pay

review plan, which is a pay group of the civil service. They would presumably receive any increase in salary at the time the group D cyclical review was decided upon and made applicable to the civil service at large.

Mr. Knowles: Mr. Speaker, can the minister say when that will be, and to what date any such increases will be retroactive?

Mr. McIlraith: It is very difficult at this stage to give a date when the determination will be made, but I would think that in the normal course it should be late this coming winter or early next spring. The group D pay changes are effective as of October 1, 1964; but I should add that some of the related groups in the House of Commons staff may have different effective pay adjustment dates. Therefore that pay date should not be taken as applicable to all the groups in the House of Commons; it should only be taken as the applicable date for the civil service.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. Would the President of the Privy Council mind informing the house why on some occasions when he is asked questions about salary increases for the House of Commons staff he answers them, and on other occasions he indicates that it is not his responsibility to answer?

Mr. McIlraith: Yes, Mr. Speaker, I would be very glad to do that. I can do so by reading to the hon. member citation 184 of Beauchesne's fourth edition, which reads this way:

> Standing order 39 does not allow questions addressed to the Speaker. If however members write to the Speaker and inquire about matters placed under his control, he is bound to give the information required.

Bearing in mind that rule, I have tried not to abuse it; but the hon. member for Winnipeg North Centre was able, in framing his question, to sufficiently relate it to the cyclical pay reviews of the civil service, which is a matter of my responsibility as a minister, to put his question in order, and I therefore answered his question.

Some hon. Members: Hear, hear.

Mr. Knowles: But these people will have to live a long while to get their increases.

QUEBEC ROYAL COMMISSION REPORT RESPECTING MEMBER FOR NOTRE DAME DE GRÂCE

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I put a question to the right hon. Prime Minister?

Has the Prime Minister read the report of the royal commission set up by the provincial government in which the hon. member for Notre Dame de Grâce (Mr. Asselin) is accused of having realized an illegal and unreasonable profit out of a transaction with the Protestant school board of the city of Montreal?

Does the Prime Minister intend to carry out the recommendations contained in this report?

[*Text*]

Mr. Speaker: Order, please. That question is out of order. It was ruled upon by the Chair I believe at least a month ago.

CONSIDERATION OF SHORT ADJOURNMENT DURING ROYAL VISIT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not know whether the Prime Minister is in a position to give an answer, but in view of the fact that the Queen's visit will begin very shortly and naturally he and other hon. members of the house would be desirous of participating in welcoming the Queen in Prince Edward Island, in Quebec and also in Ottawa, has the government given any consideration to a few days of non-session by this house; or is it his purpose to continue the session right through?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as welcoming the Queen is concerned, the fact that the house is in session will give more members an opportunity to meet and welcome the Queen than if the house were not in session. So far as a recess is concerned, I think we will have to wait and see what progress we make on the measures now before the house.

AGRICULTURE

APPLICATION OF P.F.A.A. TO WESTERN CROPS

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Not having

received an answer from the minister to a series of questions I have put to him over the past few months with respect to the emergency application of the benefits of the P.F.A.A. to western farmers, can the minister now say, in view of the large scale damage to western crops due to frost and continuing rain, what is the government's policy with respect to the special application of this act similar to that taken by the former government in 1961?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, these things are all under consideration at the moment, and as soon as we have something definite we shall be glad to announce it.

REQUEST FOR ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I have a supplementary question, Mr. Speaker. On September 22 I had a question for the Minister of Agriculture which I directed to the Prime Minister, who told me he would refer it to the Minister of Agriculture. So today I am directing to the Minister of Agriculture a question which I asked a year ago. My question concerns a feed grain agency for eastern Canada. At what stage are negotiations, and is it the intention of the government to go through with this as soon as possible this fall?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, eastern feed grains now come under the responsibility of the Minister of Forestry.

Mr. Langlois: I have a supplementary question. I hope when forestry comes under the minister's responsibility he will let us know about that.

REPORT OF EASTERN CANADA FARM SURVEY

On the orders of the day:

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a question to the Minister of Agriculture following a statement made by the minister of agriculture of the province of Quebec to a group of supporters last week, when he said that he was expecting a report from the federal government on the situation of agriculture in eastern Canada.

Could the Minister of Agriculture tell us whether the federal government intends to publish this report in the near future?

[Mr. Southam.]

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I wonder if the hon. member would mind repeating his question. I did not get it.

[*Translation*]

Mr. Vincent: My question arises out of the statement made by the Quebec minister of agriculture who said to a group of supporters that he was waiting for a report from the federal government on the situation of agriculture in eastern Canada before taking steps about agriculture.

Could the Minister of Agriculture tell us if such a report will soon be made public by the federal government?

[*Text*]

Mr. Hays: Mr. Speaker, there are many programs in the Department of Agriculture involving forestry and redevelopment which we are discussing with all provinces. I suppose this is what the hon. member has reference to. When anything specific arises out of these discussions it will certainly be announced in the house at the appropriate time.

[*Translation*]

Mr. Vincent: A supplementary question, Mr. Speaker. Does that mean that the federal government will not make any specific report to the province of Quebec about eastern agriculture? I am thinking in particular about the kind of report the Quebec minister of agriculture mentioned over the week end at the congress of the Quebec Liberal federation.

[*Text*]

Mr. Hays: I would suppose that we were discussing problems with Quebec at the moment, in so far as ARDA programs are concerned. We are in consultation with them on some new legislation we are proposing, and if this is what the hon. member is referring to, this will be announced at the proper time.

Mr. Heward Grafftey (Brome-Missisquoi): May I ask a supplementary question. In the light of the d.b.s. statistics which show that farm income for the first six months of the year has gone up in comparison with last year, would the minister inform the house—

Some hon. Members: Oh, oh.

Mr. Grafftey: —would the minister inform the house whether dairy farmers in general, and Quebec farmers in particular, have shared in this increase in revenue?

Mr. Speaker: Order, please. It seems to me that, important as this question is, it requires a long and detailed answer and is not the type of question that should be asked on orders of the day.

Mr. Raymond Langlois (Mégantic): I rise on a point of order, Mr. Speaker. I think this question has been before this house quite a few times. We know the Minister of Agriculture is a busy man, and we have very few opportunities of asking this question. The Quebec government is waiting for a decision by the federal government, and we are trying to get it out of the Minister of Agriculture or the Minister of Forestry. If an answer can be given it would certainly be nice to have since we have been waiting for it for several years.

[*Translation*]

Mr. Vincent: Mr. Speaker, I should like to direct to the Minister of Agriculture a supplementary question dealing with the Canadian farmers' income which, according to the September 23 bulletin of the dominion bureau of statistics, shows a 13 per cent increase, which is a satisfaction for our friends opposite.

If the farmers' income shows an increase of 13 per cent for Canada as a whole, could the Minister of Agriculture tell us why the income of the Ontario and Quebec farmers has decreased by $46 million?

[*Text*]

Mr. Hays: This is not quite correct, Mr. Speaker. I suppose the hon. member got these figures from the d.b.s. report. I also read those particular figures. If I may, I should like to refer the hon. member back to page 3 of the d.b.s. report, which indicates that the income figures from dairying for 1963 cannot be compared with those in 1964.

What has happened is that the production data used for the 1964 income figures have been adjusted downward on the basis of the last census, but these downward adjustments have not been made for the figures for 1963 and preceding years. The d.b.s. had planned to show the adjustments for earlier years only in the year end statements of farm income.

The comparable figures for the two years, adjusting the 1963 production to the 1961 census as has been done for the 1964 data, are as follows; Quebec, 1964, $74.6 million; 1963, $72.6 million. The Ontario figures are, 1964, $100.4 million and 1963, $93.4 million. Possibly the largest reason for the increased income is the increased price of milk. As you know, Quebec has sold most of its cheese to Great Britain at prices in the neighbourhood of 37 cents a pound, which is 2 cents a pound more than Ontario cheese sold for in Great Britain.

Mr. Grafftey: May I ask a supplementary question. Does the minister still feel, in the light of those figures, that the dairy farmer is better off today than he has ever been for the last 15 years, a statement he made in this house a short time ago?

Mr. Hays: If the figures mean anything I would have to say yes, although we are not happy with the position and we intend to make it even better.

Hon. Théogène Ricard (St. Hyacinthe-Bagot): May I ask a supplementary question. What would be the minister's explanation for the reduction in revenue of Quebec farmers in the amount of $9 million for the first six months?

Mr. Hays: I just might explain these d.b.s. figures, Mr. Speaker, but it will take some time. I shall be glad to do so, however.

Mr. Speaker: Order, please. Once more I must say this is the type of question which should be put on the order paper and not be asked at this time.

LABOUR CONDITIONS

CHARLOTTETOWN, P.E.I.—ALTERNATIVE EMPLOYMENT FOR MEN TO BE LAID OFF

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of Industry. Can the minister advise on the success of his department's efforts to find alternative employment for the workers of the Enamel and Heating Company plant at Charlottetown, whose work on defence production has now been terminated?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in spite of our best efforts we have not been successful in finding alternative work for the Enamel and Heating Company workers at Charlottetown, or work in addition to that which they are now doing.

CANADIAN BROADCASTING CORPORATION

REPORTED REFUSAL OF ANNOUNCERS TO COVER ROYAL VISIT

On the orders of the day:

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I had a question

for the Secretary of State but as he is not here I will put it to the right hon. Prime Minister.

Could he ask the C.B.C. to have an investigation carried out regarding certain C.B.C. announcers who allegedly intend to refuse to cover the forthcoming visit of Her Majesty to Canada, and, when the investigation has been completed, have the results reported to the house?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I will be very glad to convey my hon. friend's question to the C.B.C., Mr. Speaker.

CONSULTATIONS WITH PRIME MINISTER RESPECTING FREDERICTION CONFERENCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Prime Minister. Can the Prime Minister inform the house what consultations—

Some hon. Members: Hear, hear.

Mr. Nielsen: I take it my hon. friends have missed me while I have been conferring with Premier Bennett and Governor Egan of Alaska about the Yukon. My question to the Prime Minister, sir, is will he inform the house what consultations took place between himself or any officials in his office and the C.B.C. with regard to the coverage of the recent Fredericton conference on national goals for Canada?

Right Hon. L. B. Pearson (Prime Minister): If my hon. friend had been here in recent days I think he would have found there had been questions about that matter, but there have been no such consultations in my office.

Mr. Nielsen: Is the Prime Minister saying he had no conversations on this subject with Mr. Norman DePoe of the C.B.C. two days after the second broadcast over the C.B.C.?

Mr. Pearson: I would indeed. I would have been very glad if the C.B.C. had given even more publicity than it did to this particular conference at Fredericton. It would have been in the interests of everybody to have heard what went on at Fredericton.

CANADIAN FLAG

REPORTED STATEMENT BY PRIME MINISTER RESPECTING TWO FLAGS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister in connection with an article by Greg Connolley appearing in the Ottawa *Citizen* of September 22, entitled "Two flags to fly on Hill" which states in part:

> St. John's, Nfld.—Prime Minister Pearson hopes soon to see a distinctive new Canadian flag and the union jack flying side by side on parliament hill.
>
> He envisioned this historic event taking place in Ottawa as the culmination of the work of the Commons committee now studying a distinctive flag for the nation.

Is that a correct report of what the Prime Minister said in Newfoundland?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, that is a concentration of what I said. I gave more details to my right hon. friend the other day.

Mr. Diefenbaker: Mr. Speaker, there was no detail given regarding the Greg Connolley article, and I am asking whether the Prime Minister in this cavalier way dealt with a matter that is before a committee, and whether he now believes that we will have two flags on parliament hill.

Mr. Pearson: Mr. Speaker, I have already dealt with this matter, and not in a cavalier way.

Mr. Langlois: I rise on a question of privilege.

Mr. Diefenbaker: I should like the Prime Minister to—

Mr. Langlois: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. The hon. member has a question of privilege.

Mr. Raymond Langlois (Mégantic): I now rise on a question of privilege, as I did two days ago, and as did the hon. member for Burnaby-Coquitlam a week ago. I am under the impression that neither Mr. Pearson nor Mr. Diefenbaker want a Canadian flag at this moment in this country, as evidenced by their attitudes.

Mr. Diefenbaker: Mr. Speaker, that type of specious question of privilege does not deserve a reply.

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

Mr. Speaker: Order. There is no question of privilege in that respect.

Mr. Diefenbaker: I have asked whether it is a fact that the Prime Minister said in Newfoundland that he looked forward to

seeing two flags on parliament hill, the union jack and the so-called distinctive flag. Surely he can answer that question.

Mr. Pearson: Mr. Speaker, I answered the question the other day. I do not intend to debate the matter with my right hon. friend on orders of the day.

Mr. Diefenbaker: I am not asking for a debate; I am asking for an honest answer from the Prime Minister as to why he says one thing outside this house and a different thing inside this house.

INDUSTRY

AUTOMOBILE PARTS—ALTERNATIVE PLANS IF INCENTIVE PROGRAM DISCONTINUED

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Minister of Industry in respect of something other than the flag. In view of the continuing press reports that the government's automotive parts incentive program is, in the words of one of the members of the press gallery "all but doomed", and in view of the widespread concern that such reports are creating in various business circles, can the minister on behalf of the government assure the house that the government has adequate alternate plans prepared to prevent any dislocation in the event the said program is upset by any decisions or actions taken in the United States?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, perhaps the hon. member will recognize that his question is slightly unfortunate in that it presupposes that the case being considered now by the United States commissioner of customs will be decided in a manner adverse to Canada. We cannot anticipate lack of success in this field, and I can only reassure the hon. member that the government, and my department, are devoting considerable thought to all possible contingencies that might arise, and to the steps which might be needed in the future to meet them.

QUEBEC—POSSIBLE CONFLICT OF FEDERAL AND PROVINCIAL INCENTIVE PLANS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I also have a question for the Minister of Industry. In view of the announcement made yesterday by the Quebec minister of revenue, Mr. Kierans, that the province of Quebec intended to grant special income tax abatements to the companies who would settle in the depressed areas of the province of Quebec, does the Minister of Industry intend to meet with his colleague in the provincial government in order to discuss with him, and come to an agreement about the areas that will be so designated to avoid having some areas designated by the federal government and others by the provincial government, which would certainly cause confusion?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, in short, the answer is: yes, we had talks on this matter during the last weeks with the government of the province of Quebec and we hope that both programs will proceed together and without any conflict.

[*Text*]

EDUCATION

STUDENT LOANS—EFFECTIVE RATE OF INTEREST

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of Finance. In view of the statement by Professor Shepherd of University College, University of Toronto, that the Canadian student loans plan is unsatisfactory in principle and ridiculously complicated in practice, does the minister not think the government should fulfil its 1962 and 1963 election promise in respect of 10,000 scholarships per year of $1,000 each so that students might have a choice?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I did see the report in the *Globe and Mail* this morning, the substance of which seemed to be an accusation by one Mr. Gary Perly, that the rate of interest charged under the plan was greater than it was stated to be. I welcome this opportunity to emphasize that the interest rate payable by students under the plan is as stated, 5¾ per cent per annum; that is simple interest, payable only on the unpaid principal amount of the loan. This is clearly stated in the regulations under the act, in the loan agreement between the student and his bank, and in all official information, pamphlets and advertisements on this plan.

The writer of the article in question, however, has based his argument on what interest rate would be involved if $1,000 were repaid in 60 monthly blended payments. The example given for repayment in five years

in our brochure, which was issued in connection with this plan, is calculated in fact on 54 payments commencing in the seventh month after graduation and thereby retiring the loan by a date five years after graduation. So I am grateful for this opportunity to clear up any misunderstanding on the substance of the article.

With regard to the specific question of government policy an announcement will be made at the appropriate time.

Mr. K. H. More (Regina City): A supplementary question, Mr. Speaker. If the repayment of a $1,000 loan is on the basis of 54 months, why was that not made clear in the literature? It certainly indicates here on page 3 that it is on the basis of 60 months. It says that on a $1,000 loan the repayment rate will be $21 a month for five years, and on a $3,000 loan it will be $46 a month for seven years. This is the literature that the department is sending out.

Mr. Gordon: I think the facts are generally understood, Mr. Speaker.

Some hon. Members: Oh, oh.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to ask the minister a supplementary question related to the subject matter of his answer. Has the minister been told of a racket that has developed among some students of borrowing money they do not need, buying government bonds with it, collecting interest on the bonds and at the end of the time paying back the loan to the federal government without having had to pay any interest on it? I say this in view of the fact that many students are talking about this technique, and I would think they should be warned of the dangers of fraud and all the other things that go along with it.

Mr. Gordon: Mr. Speaker, under the act the provincial authorities are responsible for assessing the needs of a student before a loan can be granted, and I would not think any provincial authority would grant a loan to a student to indulge in the kind of fancy financial manipulations that my hon. friend has suggested. I think hon. members will appreciate that a great deal of work had to be done quickly in order to get the plan in operation in time for the beginning of the present academic year, and it is possible that in some provinces the forms, for which the province itself is responsible, may not have been as detailed and as complete as I am sure they will be once we have gained a little experience with the plan. I am sure there would be only a very few students, if any, who would try to take advantage of a plan of this kind. I think they are running the risk of interfering with a plan that is of tremendous value and has been very well received by the great majority of students in the country.

Mr. Hamilton: A further supplementary question, Mr. Speaker. Is the federal government through the Department of Finance planning to check with the provinces on their techniques of investigating any possible abuses?

Mr. Gordon: Certainly, Mr. Speaker. We have been in touch with them and we are in continuous touch with them. I am grateful for the suggestion, but I can assure my hon. friend that we are in touch now.

Mr. T. C. Douglas (Burnaby-Coquitlam): Having regard to the type of financial manipulation that is alleged, does the minister not think he should try to get these students into the Department of Finance as soon as they graduate?

Mr. Gordon: Judging by the author of the article, Mr. Speaker, they would fit better into my hon. friend's political party.

Mr. Nicholas Mandziuk (Marquette): A supplementary question, Mr. Speaker. Does the minister not think these fancy manipulations are just a straight application of Social Credit principles?

Mr. S. Perry Ryan (Spadina): A supplementary question to the Minister of Finance, Mr. Speaker. Surely it should be possible for a student who has obtained a $1,000 loan to invest the money in savings bonds or in any way he sees fit until he is ready to use the money. Will that not be the case?

Mr. Gordon: Mr. Speaker, I am surprised at that question. The purpose of the loan fund is to assist students to pay for their university education and their living costs while there. It is not intended to assist them in the beginning of a financial career.

FINANCE

SALES TAX ON BUILDING MATERIALS FOR CENTENNIAL PROJECTS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have another question for the Minister of Finance in connection

with the 11 per cent sales tax on building materials. In view of the numerous requests by the Canadian people for the removal of the 11 per cent sales tax on building materials to be used in centennial projects, will the minister not give serious consideration to these worthy undertakings by the people and make it much easier for them to carry them out?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I have already answered questions of this character, and I would not like to start repeating myself in the house.

LABOUR RELATIONS

MEETING OF MINISTER AND S.I.U. OFFICER

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I want to direct my question to the Minister of Labour, and it is in two parts. Did he have an interview yesterday with the right hand man of Hal Banks, Mr. Heinikey, and would he be prepared to tell the House of Commons what was the nature of the interview that took place in his office yesterday afternoon, I believe?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I did see Mr. Heinikey in my office for a few minutes yesterday afternoon, just as I attempt to see all representatives of trade unions.

Mr. Woolliams: A supplementary question, Mr. Speaker. Was the question of election of officers of the S.I.U. discussed, and was that the purpose of the meeting between the minister and the man in question?

Mr. MacEachen: That was not the purpose, Mr. Speaker.

Mr. Woolliams: Was there discussion in that regard?

Mr. Speaker: Order.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO REPORT OF COMMITTEE ON JUVENILE DELINQUENCY

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): I should like to direct a question to the Minister of Justice having to do with a federal inquiry into juvenile deliquency which was set up in 1962. I ask this question on orders of the day because on November 20 last his parliamentary secretary indicated to the hon. member for Saint John-Albert that a report could be expected in April 1964. I am wondering if the minister can now say whether the report of this important committee can be expected soon?

Hon. Guy Favreau (Minister of Justice): I shall be pleased to inquire of the members of the committee and report to the house as early as possible.

CANADIAN CITIZENSHIP

REFUSAL OF CERTIFICATES TO PROFESSED ATHEISTS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question for either the Minister of Citizenship and Immigration or the Minister of Justice. Can either minister now make a statement with regard to the refusal of citizenship to a professed atheist?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, on this question as to whether citizenship has been refused because two applicants refused to take the oath, I must answer that in fact there has been no such refusal. In the case of Mr. and Mrs. Bergsma the court declined to recommend to the minister the granting of an application because the judge found that on all the facts of the case, inter alia the fact that the person concerned—and I do not care to discuss the decision—was an atheist, that person could not be found to be of a good character within the meaning of section 10 (1)(d) of the citizenship act. Therefore the question of oath really has not arisen, because the oath is taken only at the time the minister decides to grant citizenship upon the recommendation of the court.

However, in relation to a second question that was put in relation to the same matter, as to whether in those cases statutory affirmation instead of an oath may be taken, my answer is in the affirmative. It is my own view that even in the case of applications for citizenship an applicant may choose to make a solemn and statutory affirmation, instead of an oath on the Bible, with the same consequences. This is my interpretation of section 15 of the Canada Evidence Act, and I must report to the house that I have now so advised the Minister of Citizenship and Immigration.

Mr. Howe (Hamilton South): As a supplementary question, as a result of this decision would the minister consider allowing the Bergsma case to be reviewed before the normal time, which involves a waiting period of more than a year?

Mr. Favreau: Mr. Speaker, I think there is no discretion vested in the minister in this respect, although I must say I am sure my learned colleague the Minister of Citizenship and Immigration will want to consider the matter further. However, as to the purport of the decision itself, I know the house will agree that as a member of the executive it would not be proper for me to comment on the propriety or otherwise of the interpretation given to the statute by the judge concerned.

Mr. David Orlikow (Winnipeg North): For the benefit of those of us who are not legal experts, was the minister suggesting that there was any other reason but the religious attitude of the applicant which led the judge to make the decision he did?

Mr. Favreau: If I left that impression, Mr. Speaker, I must correct it, because I did not say there was necessarily any other reason than this one. All I said was that on the basis of that finding the judge came to the conclusion that in his opinion the applicant could not be said to be of good character within the meaning of the act; and I repeat, although I have my own personal and firm opinion as to the legal import of the section, that it would be improper for me to comment on its particular application in this particular case.

Mr. Howe (Hamilton South): Could the personal opinion of the judge not have been influenced by the atheistic feelings of the applicant in question?

Mr. Reid Scott (Danforth): Mr. Speaker, I must confess I cannot quite follow the minister's explanation. Is he telling us that although in his opinion the affirmation section should have no bearing on the ability of these people to receive citizenship, notwithstanding his view and notwithstanding the fact that a grave injustice may have been done to the individuals in question, there is absolutely no redress within the jurisdiction of the minister?

Mr. Favreau: All I said was that I do not think it would be proper for me to comment on the actual decision made by the citizenship court in this particular case. However, I said—and I know he agrees with this—that the Minister of Citizenship and Immigration will want to reconsider the matter and be advised thereon. I added that aside from the ministry—or at least I implied this—if there was any action that the person concerned wanted to take to have the purport of the section tested, there are surely judicial remedies such as *certiorari*. This is aside from the possibility of the minister giving further consideration to the matter.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Under the bill of rights isn't a person entitled to have whatever belief he wants to have? Isn't he entitled to hold whatever religious view he cares to have; and whether he is an atheist or an agnostic does not detrimentally affect his character within the meaning of the citizenship act.

Mr. Favreau: Mr. Speaker, I want to make it quite clear that I have not agreed or disagreed with the decision itself. As to the application of the bill of rights, I suppose the right hon. gentleman will have noted that what it purports to protect is the freedom of religion. It is a moot question as to whether under the bill of rights—I do not say under the decision of the court—the freedom not to have a religion is protected.

Mr. Diefenbaker: Oh?

Mr. Howe (Hamilton South): Does this mean that a person only comes under the bill of rights after he has gained his citizenship?

ARTS, LETTERS AND SCIENCES

REQUEST FOR INTERIM REPORT BY ROYAL COMMISSION

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a short question which I should like to ask the Prime Minister. I wonder whether he can give the house any indication when we may expect an interim report from the royal commission on bilingualism and biculturalism.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it is my understanding that the commission in question hopes to make an interim report before the end of the year, but I will make inquiries to see if I can get more definite information.

HOUSING

VANCOUVER—POSSIBLE EVICTIONS FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Postmaster General. In view of the fact that a large number of veterans in the Fraserview

housing project in Vancouver have refused to sign new leases at increased rents and are requesting a public hearing, what action does the government propose to take?

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I thank the hon. gentleman for having given me notice of his question. I might say that I cannot accept his premise that a large number of veterans have not signed; a substantial number, yes, but a relatively small percentage of the total number of tenants. A similar question was asked of the Acting Postmaster General last Friday by the hon. member for Vancouver East, and even if I had not received notice of this question today I would have given this answer.

In my statement on August 25 dealing with the Fraserview project I stated that the effective date for the change in the rentals on the project would be October 1. Whether there will be any default will not be known until that date. If there is default, Central Mortgage and Housing will take its usual action having regard to the circumstances of each individual case.

I think I should also say I have been informed by the officials of central mortgage and housing earlier today that 85 per cent of the tenants involved have either signed, or have indicated their intention to sign before the end of the month, new leases at the adjusted rentals. About 40 tenants have purchased houses; so that out of 601 houses involved approximately 40 have been purchased, 462 renewals have been arranged, and nine tenants have given notice of intention to vacate. There are approximately 90 or less uncommitted tenants involved, and C.M.H.C. will deal with those on an individual basis after October 1.

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

Mr. Bert Leboe (Cariboo): Mr. Speaker, my question is to the Minister of Citizenship and Immigration. I am wondering whether he can tell us where we stand in connection with the Indian claims commission.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, two days ago I received the report of the Canadian council of Indians; it was the last major report on the amendments to be made to the bill concerning Indian claims.

We will consider those recommendations within the next few weeks with a view to ascertaining the amendments which could be made. We intend to put before the house the bill concerning Indian claims as soon as possible.

[*Text*]

SUPPLY

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

DEPARTMENT OF FISHERIES

1. Departmental administration, including grants and contributions as detailed in estimates, $1,159,000.

Mr. Howard: Mr. Chairman, as other hon. members have done, and as I have done in the past, I should like to laud the officials, scientists and administrators of the Department of Fisheries for the work they have done over the years, their attitude and devotion to their position and activities. I know the people in the fishing industry also have the same feeling of appreciation for the people engaged in public service who work in the Department of Fisheries.

At about the same time last year when we were considering the estimates of the Department of Fisheries I had occasion to make reference to the recent appointment of Dr. Needler as deputy minister, and I indicated the hope, with all due respect to his predecessor the late Mr. George Clark, that with the rise of Dr. Needler, a scientist, to the position of deputy minister there would be brought into play in the policy decisions of the minister and the government that depth of knowledge which can only come from one who has himself engaged over the years in scientific activities; and this appears to be the case.

Yesterday I listened with interest to the extensive remarks of the Minister of Fisheries concerning the variety of research projects, or research-type projects, being entered into by the Department of Fisheries either by itself or in conjunction with the various provinces. I myself think a great deal of the credit for this type of activity and work goes, and should go, to the officials of the department, and I hope it continues.

A great many people have had the thought that because a great number, in fact the vast majority, of the decisions of the Department of Fisheries are based on scientific knowledge rather than political expediency there is no need for a department of fisheries

or for a minister of fisheries in the political sense; that we might better approach the whole question of fisheries from the biological or scientific point of view if we did not have a department with a political head, but instead have a board or commission charged with the responsibility of doing things in the most scientific way possible. However, I still wish to indicate on behalf of the many fishermen and people engaged in the fisheries industry their appreciation for the unstinting work and devotion of the people who work in the Department of Fisheries, especially those engaged in the biological field.

The other day I had occasion to come across a book which had recently been published entitled "Politics and Conservation", by one Richard A. Cooley. It is an historical account and analysis of the decline of the Alaskan salmon fishery, which as many people know has gone downhill year after year over the past few years. I highly commend the book to anyone interested in the fisheries of Canada, especially the salmon fishery on the west coast.

Without giving any quotations from the book itself, or any other references to it, I think the experiences of Alaska with respect to their salmon stocks could very easily be repeated, and perhaps in some instances may be being repeated, in the British Columbia salmon industry. This may give us some opportunity to learn by the mistakes of others. I know that with the astuteness of the Department of Fisheries they have knowledge of this work not only in its present form but in the form the various reports took before they were compiled by Mr. Cooley.

The essence of this work is, I think, simply that regardless of the political attachment the government may have to the theory of capitalism or the theory of free enterprise, it would be a most disastrous thing for our fishing industry if that industry were to be operated under the principles of untrammelled free enterprise. This is the experience which the people in the Alaskan salmon industry have had. So, Mr. Chairman, it is vitally important for us to have some control or some regulation over the operations of the fishing industry; for if we did not, within a very short period of time there would be that rapaciousness which is inherent in free enterprisers and we would very soon find our fisheries stocks depleted, our rivers and streams denuded or destroyed as far as fisheries are concerned, and the fishing industry gone downhill.

[Mr. Howard.]

I only mention this, Mr. Chairman, as a prelude to raising a question with regard to conservation. This is the thought which I am sure is uppermost in the minds of everyone in the Department of Fisheries; I am sure it is the guide post which the minister himself follows, namely the necessity of keeping a watchful eye regularly, day after day, on the conservation practices engaged in by the Department of Fisheries, and upon the exploitation practices engaged in by the fishermen or the companies in the industry itself.

We must guarantee that there are fish left for future generations. We must ensure that we only exploit the fisheries resource within the bounds demanded by conservation itself. This does not only involve conservation from our immediate nationalistic point of view; it also involves—and perhaps this is becoming more apparent as each year goes by—conservation from the point of view of international relationships. We are not the only nation engaged in fishing outside our own territorial waters or our own fishing zones, as they are now designated. More and more nations are searching the seas for foodstuffs for their own people, and more and more we are faced with the threat of other countries exploiting the fisheries on the high seas to such an extent that it interferes with the conservation practices which we may engage in at home.

This is one of the directions in which we must look if we are to have an economic, self supporting and progressive fishing industry here in Canada. There is not much point in spending millions upon millions of dollars in order to conserve the fishery ourselves when other nations might be able to steam within a few miles of our shores and exploit that fishery to the fullest extent possible, even to the extent of destroying it entirely.

When the bill to establish the 12 mile fishing zone was before the committee on marine and fisheries, the minister there admitted that the effect of the bill in so far as protecting, for instance, the west coast salmon and halibut was concerned was practically nil, because the fish themselves would not respect or even know about any arbitrarily designated 12 mile fishing zone. Their migration habits are such that they range far outside this line of demarcation; in the case of salmon, many thousands of miles out into the mid-Pacific.

Therefore, Mr. Chairman, it is vitally important not to place too much reliance or

hope upon the establishment of the 12 mile fishing zone in so far as the protection of our fisheries is concerned. In fact I might say that the declaration by the parliament of Canada regarding a 12 mile fishing zone has in reality done more to protect the fishing interests of United States fishermen than it has to protect the fishing interests of Canadians; because within that 12 mile zone we are going to continue forever, as I interpret the attitude of the government as expressed by the minister, to permit United States fishermen, on the west coast particularly, to continue to fish within not only the nine mile fishing zone but even, in some instances presumably, within the three miles of the territorial sea which we will be declaring shortly, I hope.

I use these remarks to lead to the meetings which currently are taking place here in Ottawa between Canadians, Japanese and Americans. I believe this is the third series of meetings in recent years of the north Pacific fisheries commission. This is a meeting that is seeking to re-establish or continue in operation a tripartite treaty which was signed some 11 years ago involving Japan, Canada and the United States. This treaty concerns the salmon, halibut and herring fisheries in the Pacific ocean. We all know from public declarations that the Japanese government is demanding a relaxation of the abstention principle, or in other words an increase in the access of Japanese fishermen to the fishery stocks of halibut, salmon and herring in the Pacific when those stocks may be propagated in what we call our waters. In other words, Mr. Chairman, it is a demand of the Japanese fishing industry to fish our fish, as the saying goes.

They have made no bones about stating that; there has been no hesitancy on the part of the Japanese government to indicate that this is its desire. This is its sole purpose at the moment in entering into these discussions, namely to seek a relaxation of that abstention principle so the Japanese fishing fleet will be able to range further into the mid-Pacific and closer to our shores in order to fish the halibut, salmon and herring stocks which are propagated within what we consider to be our territorial limits.

Unfortunately the Canadian people do not know what has been taking place at these meetings, because the minister has been reluctant, unable, or has thought it unwise to communicate to parliament and the Canadian people what is taking place and what is Canada's position in respect of these meetings. I think we can assume that the United States and Japan are virtually deadlocked in respect of fishing for the so-called red or sockeye salmon in the Bristol bay area of Alaska.

Statistically and biologically I am sure the Japanese, by fishing for sockeye salmon in the mid-Pacific, have had a very detrimental effect on the conservation practices of Alaskan or United States authorities in respect of the sockeye salmon which propagate in Alaskan waters. I suggest there is perhaps even greater concern in this regard at this time than will be the case after the election is over, because this is a presidential election year in the United States. In fact, that may be one of the reasons why we may not be able to reach an agreement during this round of meetings in Ottawa. If there is any result from these meetings that is adverse to the United States, President Johnson will not publicize that adversity until after the election because it might damage his chances of re-election. If there is any result which is adverse to the United States it will be adverse as well to Canada, although to a different extent, because we have salmon stocks which propagate in our waters and intermingle in the mid-Pacific.

An article in this regard appeared in the *Globe and Mail* on September 30, 1963. It was a Canadian Press association dispatch from Tokyo, and in part states:

> The United States has proposed a substitute section to the international north Pacific fishery treaty to replace the so-called abstention principle that has had Japan at loggerheads with Canada and the United States over renewal of the fishing act.

Perhaps there has been a mistake made here, and it should say "fishing acts" rather than "act". The article then states:

> Japan had demanded that the abstention principle be removed from any new agreement and when the three nations failed to reach agreement at meetings in Washington in June new private talks were held here.
>
> Japan has argued here that the original convention was drawn up while she was an occupied country and that it was, in effect, an unequal treaty.

Another paragraph of this article reads:

> U.S. negotiators here have seen the merits of this argument and have agreed to drop all mention of Japan abstaining from fishing for salmon and halibut.

That article outlines a result which could very easily develop at the discussions now taking place. Uppermost in the minds of Canadians and the members of the commission, as well I presume as in the minds of the minister and the officials of his depart-

ment, is the fact that after ten years any signatory to the north Pacific fisheries treaty can terminate it upon one year's notice. That ten year period expired last year. I am sure that the Minister of Fisheries, his officials and the officials in the United States are apprehensive about Japan stating that if she cannot get her way in respect of abstention she will not sign or participate in another treaty. Japan does not contribute, except perhaps to an infinitesimal degree, to the salmon stocks in the north Pacific, and if she does not volunteer to abstain from fishing these stocks, having free access to the high seas she may continue rapaciously and without concern for conservation to fish those stocks of salmon that we consider belong to Canada and the United States. This may have the effect of destroying this important fishery on the west coast.

That fear and apprehension was expressed publicly by officials of the Canadian government, which I think was an error in judgment because it will have an adverse effect in relation to the establishment of a line of demarcation in the mid-Pacific. However we will have to wait to find out what the results of the discussions will be. I hope whatever concession is given to Japan to get her to sign a new treaty will not be one that will have the effect of destroying the fishing industry in the Pacific as far as Canada is concerned.

There has been a marked failure on the part of the government or the commission, if the government does not wish to assume responsibility, in that one other major fishing nation, fishing in the north Pacific, has not been invited to participate in these discussions, and I refer of course to the Soviet union. The Soviet union has an extensive fishing fleet and it does carry out research work in the north Pacific. Their fishing and research boats have been sighted very close to our shores, off the west coast of British Columbia. There is nothing whatever in the way of an international agreement, or otherwise, to prevent the Soviet union from directing their huge fishing fleet right up to our 12 mile limit to scoop up all the fish coming to spawn in our waters. I feel that is a regrettable situation. The Liberal party promised the fishermen of Canada that the Soviet union would be invited to join any new north Pacific fisheries treaty that might be signed. I must now conclude that in reality that party does not consider it has to fulfil promises it makes before an election. I think this is an insult to the fishing industry on the west coast; but apart from that, the government should bear in mind that we can only conserve this important fishery by international agreement. In view of the rapid growth in the population of the world, and the increasing demand for high protein foods, resulting in greatly increased fishing activities, this fishery is virtually doomed unless we can negotiate an agreement among the major fishing nations of the world. I think it is a gross failure on the part of the government not to have invited the Soviet union either to take part in these current discussions, or to sit in as an observer.

During the course of the meetings of the committee on marine and fisheries, I moved a motion to the effect that the estimates of the Department of Fisheries be referred to that committee for study. I postponed pressing that motion to a vote because I and other members of the committee were given the assurance—I am not going to indicate by whom and do not want to—that this was going to be done in any event. We were told that discussions were being held with the minister which were proceeding favourably, and that he was in agreement with the idea that the estimates should be referred to the committee. So we did not push the matter to a vote. I think it is regrettable that the committee was misled and did not press the opportunity to ask formally that the estimates be referred to the committee. However we have them before us now and I suppose there is not much we can do about the matter.

Mr. Robichaud: Would the hon. member wish me to comment on that point now? The hon. member has said that he was told the estimates of the Department of Fisheries would be referred to the standing committee. I must admit that some weeks ago it was my intention to refer these estimates to the standing committee on marine and fisheries. However, in view of circumstances which have arisen since involving the length of the deliberations now taking place on the north Pacific treaty, to which the hon. member has just referred, and the number of meetings we face in connection with the 12 mile limit it was decided it would be impossible to have the senior officials of the department appear before the standing committee. I must add that we have other commitments with the provinces involving committees to study fisheries matters and these will take us well into the month of December. I do not want to apologize but I want at least to state the facts and explain to the hon. member why

these estimates were not referred to the committee this year. I also want to give the undertaking now that at the next session of parliament it is my intention to have the estimates of the department referred to the standing committee on marine and fisheries.

Mr. Howard: The minister's statement is appreciated. I hope that next year nothing will interfere with the minister's desire.

Mr. Robichaud: I hope so too.

Mr. Howard: When I say "nothing" I am excluding the possibility of an intervening election and the defeat of the government, because I would not want to assume that he would be the minister after the next election or that the present government would still be in office. Apart from that, I hope that nothing else interferes with the intention of the minister.

You will be aware, Mr. Chairman, that for a variety of reasons not only the Department of Fisheries but other departments of the federal government have been given only a very cursory examination by parliament in the last few years. I would say this is not the fault of anyone. It is certainly not the fault of the Minister of Fisheries. We will recall that there was a federal election in 1962. Elections interfere with the operations of the government and, in fact, the government stops thinking policywise for at least five or six months at such a time. There was also an election in the spring of 1963 which likewise interfered with the thought processes of government. In fact, I doubt very much whether their thought processes have got back on an even keel yet. Nevertheless, there was interference with what is considered to be the normally responsible way of considering and inquiring into the estimates of expenditures of any department, and of course the Department of Fisheries was so affected.

Last year in fact there was a very earnest desire on the part of members of the house to rush through the estimates, because it was then October. The hope was that if we could get last year's estimates out of the way quickly enough we would be able to get back on an even keel and be able to study the current year's departmental activities in a better way than had been the case in the past. Unfortunately, however, we now find ourselves nearing the end of September, and we are still in the midst of the estimates even though more than half the money has already been spent. Again there is a desire on the part of members to rush through the estimates and get these expenditures out of the way, because after all the year is almost over. This is a regrettable state of affairs.

Mr. Chairman, I do not know whether you looked upon the intervention of the minister as being an interruption in the speech I originally started to make and whether I am now embarking on another 30 minutes but in any event I have no intention of doing so.

When the minister introduced his estimates yesterday he gave a very glowing report about conditions in the fishing industry. If one were to accept his statement he would think that we really do not need to think about these matters at all, because things are so excellent in the fishing industry that there is no need for us to express our views. However there are a number of matters I should like to leave with the minister in closing on which I should like him to comment, and perhaps explore in a bit more detail as we proceed through the estimates item by item.

At the United Nations conference on the law of the sea held in Geneva from February 24 to April 27, 1958, four vitally important fisheries conventions were adopted, one on the territorial sea and contiguous zones, another convention having to do with the high seas, a third convention having to do with fishing and conservation of the living resources of the high seas and a fourth convention concerning the continental shelf. I may not be correct but I understand that Canada is not a signatory to any of these conventions and has not taken the formal step of adopting, endorsing or ratifying them, whatever the formal step may be, to indicate that Canada is in agreement with them. I should like to know why we have not taken action to endorse the principles contained in these four conventions, particularly in view of the importance to Canada of fisheries activities on the high seas and on the continental shelf.

The salmon industry of British Columbia has been in difficulties for some years. If one wants to boil things down, I suppose the problem is too much gear, too many fishermen and not enough fish. Proposals have been made for licence limitation. A study was made by Dr. Sol Sinclair a few years ago about which nothing has been done so far as I know. This year however we discovered that gillnetters on the coast had taken out trolling licences. They did so because in past years they had found that their gillnet activities had yielded a very low return. They were only able to get up to a four day fishing week and they wanted to go trolling

as well. So we have had an invasion of the trolling industry by gill-netters.

This resulted in the Pacific trollers association writing to the minister on August 20 last to complain about the duality of activity of gill-netters in becoming trollers and interfering with what they considered to be the traditional activities of the salmon troll fishery on the west coast. We would like to know something about what is happening in this regard. I see you are about to rise, Mr. Chairman. I have a few other questions I should like to pose to the minister but I shall leave them until later.

The Chairman: Perhaps the hon. member will have the consent of the committee to complete his remarks. Is it agreed?

Some hon. Members: Agreed.

Mr. Howard: That is very kind. I express my appreciation and I will not in any way abuse the generosity of the committee. On October 18, 1963 a price probe committee consisting of three federal and three provincial federal civil servants was established. Could we have some indication of what the committee is doing and how it is getting along? Has it made a report and if it has not will its report be made available when it is made?

There is also the question of dogfish on the west coast. The dogfish is a predator. At one time there was a dogfish liver subsidy in effect. On March 31 of this year the minister wrote to the hon. member for Coast-Capilano, parliamentary secretary to the Prime Minister, and indicated in his letter that discussions would be held between representatives of the industry, the fishermen and scientists of the fisheries research board to look into the development of a dogfish fishery on a commercial basis. I would appreciate having some information about that.

There is the vitally important question of river and water pollution in British Columbia. We are on a kick now about building pulp mills, and where they are going to be built. I understand there is to be one at Houston in northern British Columbia. In that area there is the Morice river and Kidprice lake which are important salmon spawning areas. We are certainly interested in what pollution control is going to take effect there. A pulp mill is contemplated in Kitimat, and this is also a fish river. Then there is the one at Prince George in the area of the Fraser, which is a fish river. We should like to have some indication of what is to take place there.

We should like to know what the Fraser river board is doing about the proposal for flood control in the upper reaches of the Fraser and the Stuart lake area, which are also salmon spawning areas. We should like some indication of what program exists in connection with the rehabilitation of salmon streams. I have particular reference now to the Queen Charlotte islands, but I should like some information generally about the rehabilitation of former salmon streams on the west coast. I look forward with anticipation to a favourable response from the minister in connection with all these things.

Mr. Otto: Mr. Chairman, I see there are a few of us left here, a few of us fisher folk. The problem of the fisheries, Mr. Chairman, is not necessarily restricted to those people from the maritimes. You know, I come from the riding of York East in the heart of industrial Ontario. However, there are none of us here who pass the time of day talking to other members, especially those from the maritimes or the west coast, who do not recognize that there are serious problems in connection with our fishing industry. This is rather a tragedy, I think, considering that this industry is the producer of food, which will become more and more precious as time goes on.

If you consider what is called the population explosion as we all have, I think you will recognize how very important food is going to become. I have considered this problem, and I have talked to many members. I have lived in the maritimes for a time. It is a tragic thing that these men engaged in fishing cannot make a decent living. Is it possibly the result of a lack of resources? Is it a lack of fish? Well, Mr. Chairman, foreign fishing vessels from all over the world come to our shores to gather this harvest. Is it because we are not hard working men? This of course is not so. There is no one, no class of people in Canada, who works harder than the fishermen. I admire these maritimers who are so rooted to the land that they will stay there, knowing there are much greener pastures elsewhere. There is something that keeps the maritimer tied to the soil, and that is a wonderful thing.

What is the answer? The minister will recall that about a year ago on a television broadcast he used a word that caught my imagination. He said he was going to "nautilize" the fishing industry. In my opinion the minister has not pursued that course. As the hon. member for Skeena pointed out, we have seen factory ships come to our

shores. I have seen factory ships the like of which most members would never believe. These foreign vessels have on board office equipment that would compare favourably with that in an insurance company office. They have freezing plants, drying plants and canning plants. I even saw one ship that contained a factory to make the cans right on board. These factory ships sweep our seas like giant vacuum cleaners, taking everything there is. What de we do? We send out small boats to try to compete against these fantastic vessels.

Now, Mr. Chairman, the fault is not necessarily the minister's. I believe one of the members opposite pointed out that this department seems to be the orphan of all our government departments. It should not be so; it should be the most important department. The Department of Fisheries and the Department of Agriculture are both great departments. The fault is largely ours. We seem to be satisfied with having a mediocre fishing industry. We cannot imagine that we can do better. It is up to the minister, up to the members, to take the lead and convince ourselves that we shall have the greatest fishing industry in the world. We must convince ourselves that we shall harvest more fish and have a more efficient industry than any other nation in the world. We shall pay the fishermen the highest rates. We have to convince ourselves of these things. Is there any reason why we cannot do this? Of course we can. However, without that conviction, without this minister and this department taking the lead in a vigorous, enthusiastic approach toward this industry, we will get nowhere. We will sit here with this department as an orphan of all departments.

I would just remind the minister that it was he who coined the word "nautilize". I hope he continues with that vision. We should put every effort, all the money that is needed, all the research that is needed, all the resources at our command, into developing this fishing industry into the greatest fishing industry in the world.

Mr. Rapp: Mr. Chairman, I am sure the Minister of Fisheries will be surprised to see a member from an inland province like Saskatchewan rising to speak on these estimates. In my area fishing is only conducted in some of the lakes and the biggest one we have out there is lac La Ronge in which we fish for trout. This is good for the tourist industry.

However, my reason for rising at this time is that, being so far from the sea, we are not really given an opportunity to enjoy delicious salt water fish. I should like for this reason to bring to the attention of the minister the fact that there should be more publicity in these inland provinces with regard to salt water fish. I think the fishing industry would benefit to a large extent and the consumers would benefit by enjoying salt water fish. I do not mean the minister should think of commercial displays, but we have the C.B.C and I am sure the C.B.C. could give information concerning the preparation of some of these fish dishes. If this were done I am sure the people in these areas would benefit greatly from it.

I have been told, as the previous speaker pointed out, that our fishermen are in a desperate position so far as their incomes are concerned, but I believe if the minister pays attention to what I have said, and follows my recommendation, our fishermen will be in a better position.

Mr. Carter: Mr. Chairman, for over 450 years the fishing industry was the mainstay of the economy of my province, Newfoundland, and though in recent years it has been surpassed in dollar value by the paper industry and some mining enterprises it is still one of the most important factors in the provincial economy, and from the standpoint of the number of people employed it is the most important.

Some 75 to 80 per cent of my constituents depend upon the fishing industry for their livelihood, and I would be very remiss in my duty if I did not stand in my place today and make a few observations about it. Yesterday the minister referred to the poor fishery Newfoundland has had this year. He expressed the hope that the fall fishery would compensate for it somewhat, and that this year's increased prices would make up for the loss of production. I think we must keep in mind that not only is the fishery poor this year but it was poor last year and the year before that. As a matter of fact we have had poor fisheries for the last three years.

While it is true that the price of fish is higher than ever, due to the effect of supply and demand, this year's price is not so much greater than last year's, and a 10 per cent increase in price cannot compensate for a 50 or 60 per cent fall in production, which is the case in many parts of my riding. Furthermore, under the system we have of providing stamps to fishermen for unemployment benefits, because the amount of fish caught this year is so small this will prevent many fishermen from qualifying for unemployment benefits

this winter. The fishing season is now well advanced, and in about three or four weeks the shore fishery in most parts of Newfoundland will be pretty well at an end.

We are all conscious of the fact that the fishing industry is capable of playing a much more important role in the national economy than it does at present. We are all conscious that, in comparison with the fishing industries of other countries, ours is rather puny, particularly in view of the great advantages we enjoy with such a tremendous coast line and with such great fishery resources on our very doorstep, resources from which the fishing fleets of other nations are able to reap more advantage than we do ourselves. Here is a problem that is crying out to be solved and we must find some satisfactory solution to it.

A national conference on fisheries was held last January, the purpose of which was to lay the foundation of a national fisheries development program to be developed along lines parallel to the national policy which we have for agriculture. We hailed that conference as the dawn of a new era for the fishing industry.

In his opening statement the minister dealt with a number of individual projects which he associated with this national development program, but as I listened to his recital I got the impression of a list of isolated projects, rather unrelated, instead of a coherent, integrated program with goals to be achieved in progressive stages. In other words he seemed to be travelling along the same old beaten track that we have been travelling for the past 20 years and longer. This is borne out by the estimates themselves. Even taking into consideration the $913,000 in the supplementary estimates for fisheries management and development, this only gives a modest increase of $424,000 for fisheries management and development in the current fiscal year.

We are only kidding ourselves if we have the idea that we can initiate a national program of fisheries development without a substantial increase in expenditure. I feel we should be thinking in terms of an increase in expenditure of not less than $50 million, and perhaps up to $100 million, over a period of five to ten years. It is useless to think about fisheries development on a national scale unless we are prepared to break away from the old established pattern and start out on a wholly new path, with new thinking, imagination and daring. In this respect I believe the minister is the most fortunate member of the cabinet because no department offers greater scope for bold, new, imaginative thinking than the Department of Fisheries.

The January conference envisaged a national fisheries policy along lines parallel to that of agricultural policy, but if we accept present agricultural policy as a national policy then I believe we are starting out with a false premise because, as I see it, we have no national farm policy. What we have is a policy for western agriculture, and it is only now being forced upon us that our agricultural policy, though it has benefited western farmers, has been of very little benefit to eastern farmers.

The same is bound to be true of the fishing industry. While we may be thinking in terms of national goals and possibly national agencies, any policy decided on will eventually boil down to three separate and specific programs—one for the Atlantic seaboard, one for the Pacific coast and the third for our inland fisheries. These are three separate industries with very little in common, for each of which a separate solution must be provided. If we take one of these programs, for example the program for the Atlantic coast, that in turn would be broken down into specific programs for production, processing, marketing, transportation, conservation and research. I could speak on each one for a full 30 minutes but in the few remaining minutes left to me I should like to concentrate on the need for research.

In the past ten years, and more particularly in the past five years, fishing activity on the Grand Banks has been greatly intensified, and I think that the time has now come when we should have a research man look into the effects of this intensification. It seems to me that in the past we have proceeded on the premise that the fishery resources are inexhaustible; that the amount of fish taken by man is so small compared with those destroyed through natural and other causes that we do not have to worry about conservation. However, this intensification of activity is a fact, and as we look back over history we see that the shore fishery has disappeared from the Atlantic seaboard. It has disappeared in Nova Scotia, and the fishermen there have had to go farther and farther afield for fish.

Now it seems the same thing is happening to the shore fishery in Newfoundland. We have had three or four poor catches in a row and many people are beginning to wonder whether this decline in the shore fishery is due to the increased intensification which is

taking place on the Grand Banks. We should not wait too long before we look into this problem and begin to think in terms of international agreements to establish quotas and to secure agreement on the kind of equipment to be used. Because while the dragnet is a very efficient way of catching fish, it is also a very destructive way. As the net drags along the bottom it scoops up fish of all sizes, among which are a large number of small fish of no commercial value. In winching these fish up to the surface the pressure of the sea kills them, and this is a waste which should not be permitted. We must think in terms of equipment which will reap the same harvest without killing and wasting young fish.

Yesterday the minister spoke about research in the herring industry. To my mind this is typical of what has gone on in the fisheries department over the years. I remember that when I came to this parliament in 1949 I urged on the government very strongly the fact that there were great schools of herring in the ocean not far off Newfoundland which we were not reaping at all. After a couple of years of nagging the government did institute a program of research into this area, but it was on such a tiny scale that it was useless and after a few years reported a failure. But the herring is still there. Our ships are passing over schools of herring, some of which schools are 40 to 50 miles long and one mile wide—millions of tons of them. We should be able to reap that harvest, and I look forward to the day when the herring fishery will be more important to my riding than the cod fishery. We have to find those herring and know where they will be at a certain time, as is the case in the North sea. We must also learn to fish them in deep waters. This will require a sustained program of research, not a sporadic effort where a little ship will go out and do research for only one or two years.

We also have huge halibut grounds. I can remember when as a boy I saw United States bankers, as we called them, fishing for halibut right off the shores of my native village; but today there is very little exploitation of that resource. Off the west coast there is another halibut ground which could be exploited. We need a research program to find our halibut grounds and the best way of exploiting them.

About four years ago the provincial government of Newfoundland initiated a program of using nylon gillnets to take fish. These nylon nets proved so successful that many fishermen who had formerly used cod traps gave them up and started to use the nylon nets instead. However there was a fear in the minds of the fishermen that because these nylon nets captured the larger type of fish —called mother fish—in time the fishery would be depleted. There is now evidence that those fears are being realized. Whether this is due to the use of gillnets or not no one can say, but that is a question which should be looked into.

I should also like to ask the minister to bring about a change in the legislation which will enable foreign draggers to land fish for processing in Canadian ports, particularly in my riding. These draggers are catching the fish anyway, and at the moment I do not see that this particular piece of legislation serves any good purpose. What it is doing is depriving us of employment in the processing of fish in our ports. If we do not process it somebody else will, so I cannot see why we should not have the benefit of processing this fish ourselves. There was a Japanese firm which was quite interested in establishing a fish plant in my riding, but owing to this legislation the whole thing fell through.

With respect to the shore fishery, if we are going to have a development program we must have both a long term program and a short term program. The long term program, as I see it, should be integrated with the ARDA program. In this way we can centralize people from small, uneconomic communities into larger centres where they will be just as close to the fishing grounds and can perhaps catch even more fish and have the benefits of a centralized population.

In this connection, Mr. Chairman, I want to bring to the minister's attention the fact that in my riding there is a hydroelectric development project that is now going ahead. When it is completed in about four years time there will be approximately 500,000 horsepower of electricity available for industrialization. There is no reason why this electric power should not be utilized in the fishing industry. It would benefit our fish plants which now have to depend upon diesel power, and it would enable the small fishing communities to become electrified. This electric power could be used in the utilization of parts of the fish that are now thrown away. In a fish plant practically the whole fish is utilized, because what cannot be filleted is made into fishmeal and other products; but this cannot be done in small fishing villages at the present time. If we had a good program of centralization carried out under

ARDA there is no reason why in these small communities there should not be some small fishmeal plants put into operation. This would enable those parts of the fish that are now wasted to be utilized, to the benefit of the fishermen.

With respect to the short term program, Mr. Chairman, the most efficient way of giving assistance to the fishermen in my riding would be to provide them with a source of cheap credit. I have mentioned this matter a number of times and I am going to keep on repeating it. There are many good, hard working fishermen who could produce ten times as much as they are now producing and could make a much better livelihood for themselves and their families, but they are prevented from doing this because there is nowhere they can go to obtain cheap, long term credit. A fisherman—this happens quite often as a result of our heavy winter storms—has his whole fishing premises swept away; his fishing gear is lost, and even his boat. There is nowhere he can go to obtain the money with which to build up his business again. A man may build a boat for himself in the winter; he needs $700 or $800 to buy a modern diesel motor to put in the boat, but there is nowhere he can go to obtain this money. I believe this is the most effective type of assistance with which our fishermen could be provided under the short term program.

Finally, Mr. Chairman, I would remind the minister that whatever national goals we may have with respect to a national fishery development program, and however much money we may be prepared to spend upon it, it will still be a waste of money, time and effort if it is not geared to benefit the individual fisherman. We have already had too many programs which have benefited everybody else but the fisherman. This could very well happen with this national program that we hope will come. Unless he is the central figure, unless the whole program is built up with safeguards to see that whatever money is spent is to assist the individual fisherman, he may not benefit at all. In my province the provincial government has lent millions of dollars to the fishing industry, but the fisherman has benefited little, if at all. We must avoid the same thing happening under this program; because unless a fishery development program is going to benefit the fisherman, there is no point having it.

Mr. Rynard: Mr. Chairman, in the short time left before five o'clock I should like to make a few remarks with regard to the fisheries and particularly as they are related to our inland waters. In the area in which I live we have one of the great inland waterways in the world. I would like to say first of all, in connection with the Atlantic and Pacific fisheries, that this is an industry that nets us $200 million a year, I believe, and we occupy third place in the world with regard to the sale of fish. I think Japan is first, Norway second, and Canada stands third. We have the Atlantic and the Pacific oceans, apart from all the inland lakes in this country. I believe we are sometimes inclined to forget our inland lakes. This is particularly true with regard to the northland, to which people come from the United States, pay a great deal of money for their trip, have their fishing and then go back home. This is a great source of revenue, but once the fish in these areas begin to be depleted we will lose this revenue. This is happening today in the inland lakes; I refer particularly to lake Ontario, lake Erie, lake Huron, Georgian bay, and lake Superior. This is a great problem.

If I may now deal with the biological problem, Mr. Chairman, I would ask the minister whether his department has found that harbour seals are carrying a parasite. If so, is this parasite transmittable to other fish that are used commercially? I do not know whether the harbour seal can be used commercially, but I would like the minister to tell us whether this parasite can be transmitted to other fish; in other words whether other fish can be host to it.

Mr. Chairman, I see it is five o'clock.

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

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

Mr. Robichaud: Mr. Speaker, if the house would give unanimous consent perhaps we could carry on in committee with the estimates of my department. Would the house agree to this course being followed?

Some hon. Members: Agreed.

Mr. Howard: Mr. Speaker, we are quite happy to accede to that eminently good suggestion.

Mr. Deputy Speaker: Does the house agree to the suspension of private members' hour?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The house will now resume the business interrupted a short while ago.

SUPPLY

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

DEPARTMENT OF FISHERIES

1. Departmental administration, including grants and contributions as detailed in the estimates, $1,159,000.

Mr. Rynard: Mr. Chairman, I was asking about the parasite carried by the harbour seal and whether this is a threat to commercial fish. Do other fish contract this disease? If so, how many other types of fish have this parasite? Then I would like to know what percentage of the research work done in the provinces is carried out by the federal government. How many research stations does the federal government have across Canada, and what percentage of the employees who work in these stations are scientists?

Have the officials of the department any idea why the fish population of the great lakes is decreasing? Is this depopulation the result of a disease or the result of pollution through pesticides or detergents? For some time the lamprey eels were attacking trout, particularly in the great lakes, and I am wondering whether the minister can tell the committee whether that problem has been solved? I understand the trout population in lake Superior and lake Huron is increasing.

Has the research activity of the Department of Fisheries included a study of the effect of detergents on fish population, and has there been any effort made to stop industries from polluting our waters by the discharge of detergents and other chemical wastes?

How often does the fisheries research board meet and where does it meet? How many members are there on that board, and of those members what is the ratio of scientists to laymen? Who appoints the members of this board?

Mr. Chairman, I have posed a number of questions for the minister and his officials rather than making a long speech, because I felt that perhaps a greater degree of information would be forthcoming. I should like to ask one or two further questions in respect of the 12 mile limit proposition.

Why is the 12 mile limit not reserved for Canadian fishermen, and why are fishermen from the United States, France, Great Britain, Portugal, Spain, Italy, Norway and Denmark allowed to fish in the fishing grounds within that limit? Is there some agreement in this regard? It is my understanding there is such an agreement but I hope the minister will correct me if I am wrong. What do we get in return? What are the circumstances surrounding the use of chemicals to destroy fish that prey on other fish, and I am thinking particularly of smelt?

Mr. Chairman, those are all the questions I wish to ask at the present time, but I will ask more after the minister has replied, if there are any unanswered or not clear.

Mr. Cashin: Mr. Chairman, I should like to endorse that portion of the remarks of my colleague, the hon. member for Burin-Burgeo, dealing with the situation in respect of fishermen in Newfoundland particularly, in the past two or three years. What the hon. member has suggested in this regard has unfortunately been very much the situation in respect of approximately 60 per cent of the fishermen in the area of St. John's West.

The unemployment insurance which is now available to fishermen is not in itself an answer to their problems. Much criticism has been expressed about the inclusion of fishermen in this program, but at least the criticism expressed in Newfoundland follows two opposite directions, because the program does not fit the requirements of those fishermen. This insurance does act as a bonus to those fishermen who have a high catch but does not provide sufficient assistance to the fishermen who have laboured throughout the season and have met with failure.

It seems to me that we have really approached this problem backwards. It may be desirable to give some sort of stimulation by way of a bonus to our east coast fishermen particularly, because the average value of landed fish per fisherman there is between $800 and $900 per year. That is well below what the fishermen should receive in order to provide their families with even a half decent standard of living. I am not quarreling at all with the suggestion that under present circumstances those people should be given some sort of bonus, but I do suggest that it is more important at this time to consider a program of insurance which will offer some protection in years when the average yield is unduly low.

One other thing I should like to mention in respect of fisheries statistics relating to the past several years is that the size of fish caught by the inshore fishermen has been getting smaller each year. While the pro-

ductivity per fisherman in 1956 was 41,000 pounds, this has decreased steadily each year, to the point where last year it was only 25,000 pounds. There are more fishermen now than in the past, so the total catch may be as good as it was; but I should like to remind the minister that the figures we now have in respect of the catch this year, which indicate that the situation is worse than it was last year, must be considered in the light of that increase in the number of fishermen. Unless there is a tremendous improvement in the fisheries in this area within the next month we will be faced with an even lower productivity per fisherman than last year.

I endorse the remarks of those speakers who have encouraged the minister to continue this admirable program of research, but perhaps the efforts in this field should be concentrated a little more toward determining the causes and remedies with respect to these smaller fish, as well as a study of the causes of the lower productivity per fisherman.

We in Newfoundland are heartened by the progress being made toward the establishment of the 12 mile limit, and we realize that there is a lot of water still to pass under the bridge before base lines are determined. We hope, however, that it is not too optimistic to suggest that the problems in respect of establishing this 12 mile limit will be solved before the 1965 fishing season. With reference to a suggestion made during a recent meeting of the committee on marine and fisheries, I suggested to the minister and his officials that certain conservation areas within Canada's territorial waters will have to be established. The inshore fishermen of Newfoundland, and of those areas of the maritime provinces where there still is an inshore fishery, are not unreasonable and certainly not agitating for the exclusion of Canadian draggers and trawlers from the 12 mile limit but they have a justifiable case in suggesting that certain areas, for example along the southern shore of St. John's West, which is straight for 60 or 70 miles, have not been properly considered in respect of the establishment of base lines. The base line theory does not mean anything because this is a straight shore, so whatever is resolved as far as base lines are concerned is not going to make too much difference to them. There are no large bays or other such bodies of water.

This 60 or 70 miles of coast line is very near the major ocean routes of trans-Atlantic traffic and many of the foreign trawlers and other vessels that go to the port of St. John's for supplies go down this shore. Right now they hover about the 12 or three mile limit as the case may be. This not only causes undue interference with the fishermen's gear but from what I have been able to learn about the situation it is undoubtedly having an effect on the inshore fishery in that area. It has been explained to me not only by biologists and other scientists but by the fishermen themselves, who in their own way quite often know more about the situation, that in years gone by there were traditional runs of fish that came at particular seasons; but now the trawlers and draggers know the approximate times of these runs of fish and they are there to interfere with the potential catch of the inshore fishermen.

Whatever other arrangements are made as far as Canadian territorial waters as a whole are concerned, I think it would not be unreasonable if areas such as the one I am talking about were classified at least for certain periods of the year as conservation areas, to the exclusion of all trawlers and draggers including our own Canadian draggers. When I brought this matter up in the committee I asked the representatives of the Canada fisheries council and the representatives of the industry whether they would have any objection to this and they replied that they would not.

I sympathize with the minister in this regard in that all of the coast line of Newfoundland is the habitat of the inshore fishermen. Perhaps not all of them are so severely affected as those on the southern shore of St. John's West or the northern shore of St. John's East, or part of the strait of Belle Isle where they are very near shipping routes. Perhaps there are large bays where it would not apply, but I certainly think that for some period of the year—it would probably have to be from May or June until December—these areas should be reserved exclusively for the use of the inshore fishermen.

I say again that these areas will be affected very little by any future decision as to base lines because they are primarily areas of straight shore and do not have large bays and the like. If this is done it will have some beneficial effect, I hope, on the inshore catch in Newfoundland.

While I am talking about the inshore fishermen, may I say I think we have to recognize—I think the minister has given an indication that he does—that in addition to these conservation measures we must also strive for greater mobility among the inshore fishermen. We are heartened by the news of the subsidy

program for larger boats. I think we must have larger boats and more modern equipment for our inshore fishermen.

In Newfoundland we must also concentrate to a greater degree on our offshore fisheries. I was disappointed several years ago when a number of local fish producers in Newfoundland decided to go out of the offshore fishery business. I have not been able to understand the reason for that action. However, I believe that one particularly energetic and imaginative company is contemplating returning to the offshore fishery.

It seems to me, to be logical, that this would be a more efficient way for them to operate their business, rather than to depend solely on the inshore fishery.

One Newfoundland fishing company will be bringing to Newfoundland waters this November the first of four new factory ships. These ships will be floating fish plants. I was happy to learn from the president of Fisheries Products Limited that one of these trawlers will, it is hoped, be located in St. Mary's bay, St. John's West, next summer. I think this is a step in the right direction toward achieving greater mobility in one aspect of our fisheries at any rate, because these floating fish plants will be able to move into areas where the inshore fishery is better than in other areas.

My greatest concern in rising to speak was to stress the importance of these conservation areas, notwithstanding whatever other arrangements may be made concerning Canada's territorial waters. I think this is a most important step for the part of St. John's West about which I have been talking and I am quite sure it will be applicable to other parts of Newfoundland as well.

[*Translation*]

Mr. Regan: Mr. Chairman, I wish to congratulate the Minister of Fisheries (Mr. Robichaud) on the intelligent way in which he has administered his department.

[*Text*]

I wish to say only a very few words on this subject. As one who comes from an area which is greatly affected by the fishery I would point out that the fishing industry has meant $70 million a year to the province of Nova Scotia. It has provided a great deal of employment, and it is of keen concern to Nova Scotians that the fisheries on the east coast of Canada continue prosperous. In this direction we all know that more and more modern equipment and better facilities have resulted in those who go down to the sea in ships being able to pursue and catch fish more efficiently.

As has been emphasized by a number of speakers, much has been done but much more needs to be done with regard to obtaining a greater knowledge of the conditions under which fish will multiply and prosper and with regard to the amount of protection that will be necessary by way of international agreements in the years ahead, to assure that our fisheries are never completely exploited and used up with the result that the industry would disappear.

In this connection I should like to mention the fact that at Dalhousie University Dr. W. R. Trost, dean of graduate studies, has been appointed chairman of Dalhousie's aquaculture committee. This committee has proposed a $1 million aquatron. The name "aquatron" has been coined for this facility because it is a significant departure from any existing aquarium or aquatic experimental facility now existing. It is proposed to use the aquatron for the study of conditions under which fish and all sea life prosper, and the experiments are to be carried out in co-operation with the Bedford institute of oceanography. I submit that this type of development needs every encouragement from the national research council and the Department of Fisheries because it is only by acquiring greater knowledge of conditions in the sea at different depths and pressures that we can eventually turn the fishing industry from a hunting to a farming industry.

Mr. Robichaud: Mr. Chairman, it is not my intention to delay my estimates. I feel I have already spoken long enough in introducing them but I am sure hon. members expect me to answer some of the questions they have directed to me and I want to try to do so as briefly as possible.

The hon. member for Queens (Mr. MacLean) referred to the order in council passed on the 17th of July exempting certain countries from the application of the 12 mile fishing zone. I am sure hon. members will understand why this was done. It was done for those countries with whom we are negotiating, inasmuch as we could not expect to enforce the 12 mile fishing zone on those countries before the negotiations were completed.

The hon. member also referred to the protection of seals, particularly in the gulf of St. Lawrence. The only foreign country involved is Norway and we are at present negotiating with Norway in order to assure full protection in that particular area. The

hon. member also asked for details with regard to the vessel replacement and building program for this year. In the Newfoundland area we are replacing the *Cinderella* at a cost of $110,000. In the maritimes area we are replacing the *Hyperia* and *Obelia* at a total cost of $57,000. In the Pacific area we are replacing the *Rissa* $10,000; the *Bonilla Rock* $10,000; the *Branta,* $20,000 and we have also a replacement for the *Statistic* at $16,000. In addition a start has been made on the provision of an additional deep sea patrol vessel of the Cape Freels type for the maritime area, and consideration is being given now to a similar vessel for the Pacific coast.

The hon. member for Comox-Alberni referred to Canada's share of the world fishery, particularly in connection with F.A.O. I am pleased to report that in so far as the development of world fisheries, the resultant threat of depletion and keen international competition are concerned, the department is keeping in close touch with all these developments. Canada is active in every important international commission, as I have mentioned in my remarks, and is supporting the fisheries division of the F.A.O. in its attempt to cope with these growing problems of international conservation and development. In fact two of the senior officials of my department will attend an F.A.O. meeting in Rome next month as part of the Canadian delegation.

The hon. member also mentioned the possibility of limiting the number of salmon licences on the west coast. Reference has been made to this subject by several members, including the hon. member for Skeena and the member for Fraser valley. I am sure all hon. members are fully aware of the difficulties connected with implementing such a restriction. The matter is presently under very active study by the department, and it is our intention to take action in this field as soon as this study has been completed. However, we want to do it in an adequate and equitable manner. I am sure the hon. members who raised this question understand the complexity of the problem. I want to assure them it is under very active study by the department.

The hon. member for Queens-Lunenburg referred to section 31 of the Fisheries Act. Here again, I want to assure the hon. member this matter is under consideration by the department. The matter is much more complicated than just withdrawing this section from the Fisheries Act. I should like to refer the hon. member to section 76 of the Fisheries Act which was introduced in 1961 and has some direct effect on section 31, particularly as it affects lobster fishing. It is true that certain states, such as the state of Maine in the United States, permit lobster fishing on the high seas. We must remember also that in those areas the lobster season is open the year round. They do not have the problem we have in our Atlantic provinces, where we have limited seasons, and different seasons in different areas. We are studying this matter which, as I have said, is also very complicated.

We are also taking into consideration the suggestion the hon. member made in connection with some research being done in this direction, particularly on the Grand Banks. In so far as oyster development is concerned, and I referred to this in my remarks, we now have an oyster hatchery in operation at Ellerslie and we are convinced it will be a great asset to the oyster industry of the Atlantic provinces.

The hon. member for Skeena has made a special reference to the third meeting which is now taking place in Ottawa between Canada, Japan and the United States in connection with the north Pacific treaty. I am sure that, as I stated yesterday, hon. members understand why I cannot give more details about the negotiations which are taking place. We would not have a third meeting of these negotiators if our Canadian delegation had not maintained a firm position. I want to assure hon. members that our aim is to ensure that we have full protection for the salmon and halibut fisheries of the Pacific. If we had not maintained this firm position, probably an agreement would have been reached long ago. I want to give this assurance, that it is our hope, and the hope also of the other two countries concerned, that this treaty should be maintained because this protection is essential to the salmon fishery for future generations in the Pacific area.

In so far as the committee appointed last spring to study the wage dispute and problems affecting the fisheries of British Columbia, I am pleased to report that the work of the committee has been completed and a report is now being prepared. This report should be submitted to my department within the next month or so. After it has been given study, it is our intention to make the report public.

With reference to the development of markets for dogfish, I may say that experiments are now being conducted in co-oper-

ation with the industry. It is true these experiments are at an early stage. I believe we took this decision in February or early March, and we have been in communication with the industry. This experimentation is now under way, and we hope that later this year or early next year we will have some results to report.

In connection with the pollution of salmon streams, I may say that this is a subject of intense effort by the department. We are asking for the co-operation of the industries concerned. The hon. member asked also why the government has not ratified the Geneva convention. The question of ratification is one for the government to take under consideration, and it is under consideration now. One of the main reasons for the delay is the decision of the government to proceed with the establishment of the 12 mile fishing zone. After our negotiations have been completed in this sphere, I am sure it is the intention of the government to give further consideration to the ratification of the Geneva convention.

The hon. member for Humboldt-Melfort-Tisdale has asked whether more publicity might be given or better displays made in connection with our salt water fish. I want to assure the hon. member we are making every effort possible in this field. As the hon. member knows, we have test kitchens in Winnipeg and in Edmonton which are doing some work in this connection and we want to give publicity to our fisheries products.

The hon. member for Burin-Burgeo has mentioned many of the problems that affect particularly the fisheries of Newfoundland. It is true that at a federal-provincial conference which took place only eight months ago, a decision was reached to launch a national development program for the fisheries. We want to make sure every move we make in this direction is the right one. It is not a matter of giving money away or spending money without knowing it would be effective, and that it would reach the primary producer. The hon. member has mentioned the amount allocated to the estimates for research. I am pleased to report that this year we are spending over $1 million more for research than we did last year. There is much more research to be done and we are doing everything possible to accelerate the research program.

In connection with legislation to enable foreign draggers to land fish in Canadian ports, this matter is under study by my department in co-operation with the Department of Trade and Commerce, the Department of Citizenship and Immigration and the Department of Justice, but I am not in a position at this stage to state what the decision might be in this connection. There are many factors involved, and we have to take into consideration that if we allow foreign vessels to land their fish on Canadian soil this will extend the fishing time for foreign vessels, because at present they have to return to unload at their home ports. We have to consider that if we allow them to land their catch in Canada, so much more fish will be taken out of the waters adjoining our coasts.

The hon. member for Simcoe East asked me a series of questions which I have tried to list, and I will try to answer some of them. I want to assure the hon. member that the inland fisheries are receiving close attention from the department. Since the federal-provincial conference was held, a federal-provincial committee has been established, with participation by the prairie provinces and Ontario. This committee has met on two, and I believe three occasions, and we are working on a program in order to develop further the inland fisheries.

The hon. member also asked me a question in connection with parasites in harbour seals. It is true that there is a certain parasite in harbour seals. Extensive research has shown that although it is evident in many species, it matures in harbour seals and not in other species of seals. For this reason the department has taken measures to reduce their numbers, especially by providing a bounty, though this may not be altogether in line with some of the opposition we have been having in the last month in connection with the seal operation.

The hon. member also asked a very important question concerning the number of research stations. The fisheries research board, under a special act of parliament, is appointed by the Minister of Fisheries and has 17 members, nine of whom are scientists, the others being representative of the industry in different sections of the country. There are five biological stations, five technological laboratories and two oceanographical groups. Of the total staff of 736 over 200 are scientists and about the same number are technicians.

At this stage I want to praise the work being done by the fisheries research board of Canada. It is recognized throughout the world. Canada is well advanced in the field of research, and at the federal provincial con-

ference we gave an assurance to the provinces that we were prepared to take more and more responsibility in this field. In some cases this will be in co-operation with the provinces. For example the province of Ontario is playing a great part in fisheries research, but without going into the details I would say that about 90 per cent of the research on fisheries is done by the federal research board.

We know that pollution of waters by detergents emanating from factories is taking place. We are studying this problem, and have in some cases taken action against factories for polluting waters containing fish.

These are answers to some of the questions which have been directed to me and I hope I have satisfied, in part, hon. members who have asked questions.

Mr. Rynard: The minister missed one point in dealing with the effect of lamprey eels on trout and, second, I would like to ask why are the fish decreasing in numbers throughout the great lakes generally?

Mr. Robichaud: I am pleased to give a brief report on lamprey control. I am quite optimistic about the results which have been obtained in lamprey control by the experimental treatments in lake Superior. By the end of 1961 all known lamprey spawning streams, tributary to the lake, had been treated with specific lampricide. In 1962 the catch of adult spawning lamprey in the barriers dropped sharply from 54,000 to 10,000. Approximately the same number returned in 1963. The lake trout have reacted rather sensationally to this reduction in showing less wounding, a great increase in numbers of large trout over 20 inches, and in greater availability to fishermen's nets.

The plantings of trout have apparently been quite successful in that large numbers of hatchery fish now form the basis of the population. Our problem is to determine whether the costs of control will, in effect, be economically sound. In the meantime we are doing limited work in other lakes, since it is our opinion that a complete program should not be initiated until we are definitely convinced of its efficacy.

Mr. Howard: Mr. Chairman, I want to revive a matter I raised earlier, and I hope the minister will not be offended when I say he rather glossed over the subject in his answer. It is the question of pollution of waters, which is a serious matter, and I can quote the minister's own words to stress the importance of it. In the communiqué dated January 24 of this year, following the federal-provincial conference, the minister said this:

> The problem of pollution was recognized as being one of the most serious facing the fisheries today. The need was emphasized for the development of efficient and accurate techniques for detecting and assessing pollution and for corrective measures. The importance of fisheries representation on pollution boards was generally agreed upon.

I think everyone would agree with that statement by the minister, and I just pose to him a thought about two pulp mills which are proposed to be built in the middle of the northern part of B.C., each of which is to be located at or near salmon spawning streams. One mill is to be built at Kitimat, and the Kitimat river is a salmon river. The other mill is proposed to be built at Houston, further in the interior, away from the sea coast, but none the less in an area which is highly productive of salmon in the Morris river system. I would like the minister to tell us what steps are being taken to ensure that these salmon spawning areas will not be destroyed by the effluence from these pulp mills.

We had a very sad experience in Prince Rupert with the Columbia Cellulose mill, in which the area surrounding it is now barren for productive purposes. In fact I question the possibility of rehabilitating it as a spawning area. It might be possible with an extensive investment by the company involved and by the Department of Fisheries, but we want to prevent such a thing occurring again. These new pulp mills are on the drawing boards and this question of the spawning grounds should be tackled now.

I also raised with the minister a question about the rehabilitation of former salmon spawning streams that had become barren, or destroyed due to a variety of reasons. I mentioned in particular the Queen Charlotte islands, and incidentally in passing may I say the recent order in council issued regarding salmon streams was a step in the right direction. By its terms the department is allowed to step in and prevent the removal of gravel from salmon spawning streams. Obviously there was conflict as to whether or not this was provincial or federal jurisdiction; at least that was the reasoning given to me by the people in the fisheries department. They felt they were powerless to proceed to prevent the scooping up of gravel out of salmon spawning streams because in fact that was a landed area, and consequently under the jurisdiction of the province. I understand there was a

recent order in council amendment which gives the fisheries department authority, as I understand it, to prevent that sort of thing. However, we are interested in the rehabilitation of the streams there.

Mr. Barnett: Mr. Chairman, before the minister replies to this question would he allow me to add a few remarks to those of the hon. member for Skeena. I think the minister is probably aware that one of the first comprehensive studies ever made by the department, as far as I know, of pollution as a result of pulp and paper mill installation was made in respect of the upper part of the Alberni inlet prior to the establishment of a pulp mill there. Many views have been expressed as to the success or otherwise of control measures which have been put into effect based on the fact finding of that study. Certainly it is evident that these efforts have not altogether been unsuccessful in view of, as the minister knows, the recent successful arrival of these new runs of pinks through the controlled spawning channels of Robertson creek. However, I should like to say that from time to time people do come to me seriously concerned about the evidence of mortality in fish as a result of the effluents of that plant right at the mouth of the Somass river system.

I am wondering whether the earlier investigations which were made have fully taken into account the tremendous expansion which has taken place in that plant since the original survey and planning was done. I know some of the local organizations, such as the Port Alberni and district chamber of commerce, have had this sort of question before them. If the minister has any late reports on how that program is operating I think it might be worth while to pass them on to the committee in reference to the consideration of this whole question.

The hon. member for Skeena raised the question of the proposed development of pulp mills on the main stem of the Fraser river system. Probably the minister has already seen the summary of the recent annual report of the international Pacific salmon fisheries commission which is contained in the August 24 issue of "Facts on Fish" published by the fisheries association of B.C., in which it is pointed out that this whole question highlights the recent annual report of the international Pacific salmon fisheries commission. This report indicates concern, even though adequate control measures may be planned, at the accidental spillages of highly toxic materials into the main stem of the Fraser, which at the wrong time could very well accidentally produce disastrous results.

I relate my question in connection with what may be planned in pollution control on the Fraser to the earlier studies which were made in the Alberni inlet and Somass river systems, for the definite purpose of suggesting that there is a very major difference in kind as to the problem which may have to be faced in connection with the avoidance of pollution on the Fraser to that which was based on the establishment of the pulp processing mills at the head of the Alberni inlet. I know that in at least one instance in my constituency the existence of a pulp mill has, according to information I have derived from discussion with fisheries people, ruled out the possibility of the continued existence of salmon. I am referring to the pulp mill at Port Alice on the Neroutsos arm in the Quatsino sound area. While I have been informed that no major part of the Quatsino salmon run has been involved in this, nevertheless I mention it because it has been put to me that it is either a question of having a pulp mill or having fish; there is no feasible alternative between the two. Fortunately in this particular instance no major salmon runs, as I understand it, were involved. The damage which has been done is that the residents of the area now have to travel a good many miles to do a bit of sport salmon fishing, whereas a few years ago when the plant was smaller and the volume of pollutants was lower they were able to go out after supper and catch themselves a salmon without too much difficulty. I think it is in the perspective of what has occurred in the past that some of us would like the minister to give us a pretty careful appraisal of just what may be involved in this proposal to establish a pulp industry on the main stems of the Fraser river and, as the hon. member for Skeena mentioned, in the Kitimat area.

Mr. Robichaud: Mr. Chairman, in reply to the problem raised by the hon. members for Skeena and Comox-Alberni I would assure them that the problem of pollution is one of great concern to my department. It is a very important problem and I wish to thank them for bringing it to the attention of the committee. Pollution of our salmon streams is the subject of intense efforts by the department, and in most cases now pollution by pulp mills is kept at a harmless level because we have discussions with the companies in the early stages of the planning of a new pulp mill. This is also backed by the Fisheries Act itself. We insist at all times on adequate pre-

cautions. We co-operate closely with the provinces and the municipalities in this general field of pollution control. The two cases referred by the hon. member have been in the mind of the department, and I understand that discussions have already taken place in order to take the necessary steps at an early stage to prevent any pollution effect from their operation.

With regard to the rehabilitation of salmon runs in the Queen Charlotte islands, this is being attempted at some stage through regulation of the fishery, and we can say that we feel we are meeting with success.

Mr. Barnett: There is one other matter, Mr. Chairman, that I for one would like to raise on which I should like to invite any comment which the minister may care to make, while we are still considering the broader policies of his department. It is a matter which may be of more direct concern really to his colleague the Minister of Transport, and I may attempt to pursue it in a little more detail when we reach the consideration of the estimates of that department. The minister may have had drawn to his attention a question which was recently raised publicly by the Pacific trollers' association with respect to the operation of the coastguard on the west coast. As I read the substance of their complaint it was that both of the coastguard cutters had been put into operation on the straits of Georgia area, they claimed almost entirely for the benefit of pleasure craft. Therefore, they said, the main troll fleet off the west coast of Vancouver island was left without the kind of protection which the coastguard, they said, should be prepared to provide for them.

There was one aspect of their representation in which I felt they did not make a complete appraisal of the situation, because they linked their statement with respect to the idea of having both coastguard cutters operating in the inside waters with a rather critical reference to the existing lifeboat stations at Bamfield and Tofino.

I would urge the minister not to be moved too far by the statements they made in respect to the operation of these two lifeboat stations. It may be true that these people, thinking in terms probably of the troll fleet operating a good many miles offshore, are not fully aware of the value of those two lifeboat stations to the fishermen and others who are perhaps somewhat more closely inshore, and to the many other ancillary services in rescue that these lifeboat stations have rendered for many years. They claim that these two boats are outdated and are not properly equipped in the modern sense, which may very well be true. I would invite the minister to comment on this subject. I would also urge him to confer rather carefully with his colleague the Minister of Transport on this question, with particular reference to (a) ensuring that adequate coastguard protection be provided to the fullest extent for the fleet operating off the west coast, and (b) giving careful attention to the matter before any further move is made toward reducing the services—in my view, the very valuable services—that are performed from the existing lifeboat stations at Bamfield and Tofino.

Mr. Robichaud: Mr. Chairman, I will bring this matter to the attention of my colleague the Minister of Transport.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I have only one question to put to the minister in regard to this famous water pollution.

We are wondering who is really responsible for this. The minister said a moment ago that he was highly interested in this matter. I can tell him that in our region we have been highly interested in this matter for over 30 years.

I am speaking of the Mistassini river, the best salmon river in the whole region. In the past 30 years, salmon has practically been driven away from the river because the refuse of a pulp mill have created a dam right across the river.

Last summer, I went to see for myself what was going on. Layers of white matter extending over a quarter mile could be seen. The fish, the salmon that feed on that are poisoned to death.

Various governments were asked to do something to eliminate such waste and also those accumulated on the bottom of the river. Some friends and I, in diving suits, inspected the bottom of the river. We found that there was from 8 to 10 feet thick of log wastage besides those floating islands of white matter that kill the fish.

We heard people say: "We are deeply concerned by that problem." And the minister said that the effects of waste from pulp mills are not so serious.

Mr. Robichaud: No.

Mr. Gauthier: I hope I misunderstood—

Mr. Robichaud: I certainly did not make such a statement.

Mr. Gauthier: I want to call the minister's attention to the fact that the waste product of the paper mills in my district are detrimental to our fishing waters and, more particularly, to the salmon run in the higher Mistassini.

I wrote to the federal and provincial governments and received only vague answers. I now seize this opportunity of asking the minister whether the matter of water pollution comes under a joint plan, or just under the federal or the provincial government, so as to find out which government should be approached in future to obtain some protection.

Mr. Robichaud: I shall answer my hon. friend that the administration of fisheries in the province of Quebec is under provincial authority.

[*Text*]

Mr. Howard: Mr. Chairman, I wanted to raise a matter involving a particular fishery, at the moment one in which primarily native Indians are interested. It is just a moment or two to six o'clock. The manner in which I intended to describe what is taking place with respect to pollution of one of the rivers which is highly productive of oolachan would not be conducive to a reasonably pleasant supper, so I will leave the descriptive part of it until we resume at eight o'clock, if that is satisfactory. It involves the oolachan fishery, and primarily the pumping of raw sewage by the municipality of Kitimat into the Kitimat river. By mentioning now what the subject matter is, this will give the minister an opportunity if he so desires, to refresh his memory over the supper hour as to just what has taken place there. As there are some other matters about which I wish to make inquiries of the minister, I wonder, Mr. Chairman, whether we might call it six o'clock.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Howard: Mr. Chairman, I almost missed my opportunity to speak because I was giving some information, about which I wish to make reference, to the minister.

The oolachan fishery is almost exclusively a concern of the native Indian people of the west coast. It is one of their traditional foods and part of their regular diet. The oolachan is a small fish much like the smelt, and I think biologists would tell us that it is in fact a species of smelt, although there is some argument in this regard. I have given some of these oolachan to the minister and have some in front of me on the desk. You will see that they are relatively small, seven or eight inches in length at the maximum. Biologists do not know much about the habits of the oolachan because there has been only a small amount of research done in this regard.

The oolachan is an anadromous fish, as is the salmon, spending its growing years in salt water and running to fresh water to spawn in the spring, probably on a two year cycle. I believe they spawn in the silted bottoms of the rivers rather than in gravel, as do salmon.

The oolachan are caught by the Indians with the use of a very fine mesh net, as are herring and other similar fish. You will realize that because of their size a fine net must be used to catch them during their progress up river. These fish are cured by a smoking process and are sometimes bottled after being smoked, though very often they are dried or broiled. They are also rendered down by simmering in water to produce grease or fish oil. Oolachan grease or oil is of great importance to the native people. These fish are very oily and are often referred to as candlefish because, after proper processing, they can be used just as one would use a candle.

As a result of the development of the Aluminum Company of Canada project, with its smelter constructed on the Kitimat river a few years ago, a great deal of raw sewage from the community is being pumped into the river. I have seen this situation and have taken pictures of it, which I have forwarded to the Minister of National Health and Welfare because of the obvious health problem involved.

During the netting of oolachan, using these fine mesh nets, the Indians catch oolachan as well as everything contained in this sewage including human excrement, tissue paper —which is used extensively and discharged— discarded sanitary napkins, used and discarded condoms, and many other like articles. I only mention this fact because it is a fact that these things are discharged in the raw sewage and are caught up in the fine nets used by the Indians to catch the oolachan.

An extremely serious health problem exists in this area as a result of this situation, and Dr. Paul Woolacott, of Kitimat, was of the opinion that two people nearly died early this spring as a result of gastroenteritis contracted

by eating oolachan which had been contaminated as a result of this raw sewage.

While the oolachan fishery may not be of importance in a commercial sense, it is of vital concern to the Indian people, as I am sure the minister is aware from personal experience or from advice he has received from the officials of his department. If the raw sewage from the community of Kitimat is to continue to be discharged into the Kitimat river, resulting in this pollution, while it may not interfere with or destroy the oolachan it will undoubtedly continue to interfere with the fishery as far as the Indian people are concerned. The spring of the year is the traditional time when these Indians harvest certain sea products, but they must maintain their harvest of oolachan because it forms a very important part of their diet. If this health hazard is to continue they will have to discontinue catching the oolachan, thereby losing a staple and traditional part of their food.

This question has been kicked around by the Department of National Health and Welfare, which appears not to be too interested in it and does not seem to grasp the importance of the problem. The B.C. provincial government authorities also do not appear to be too interested. The municipality of Kitimat, which might engage in the installation of a sewage treatment unit, has not proceeded so far because from their point of view the installation of such a sewage treatment plant would be financially prohibitive, having in mind the relatively small population of Kitimat compared to the cost of installing such a plant. So far the Department of Fisheries has not to my knowledge done anything extensive in attempting to correct the situation.

However, somewhere along the line some government agency has to start the ball rolling by offering some help. Maybe it will require a contribution from the Department of Fisheries to the municipality of Kitimat to assist in the installation of a sewage treatment plant. Perhaps it will be a joint effort of the Department of Fisheries, the Department of National Health and Welfare and the provincial government, especially in view of the rapport that exists on fisheries matters between the federal authorities and the provinces. Somewhere a start has to be made, and I appeal publicly to the minister, knowing his sense of fair play, his desire for the preservation and conservation of the fisheries and his desire to protect at all levels the interests of all those who live off the fisheries on the west coast.

I am merely asking him to undertake a study and to look at the situation to see if some proposal cannot be worked out. Perhaps this is being done already. There are five or six months left before the next oolachan run comes along in the spring of the year and if we start to work on the problem now we may be able to come up with some satisfactory solution by that time so that the natives at Kitimat can continue to catch their traditional fish. I notice that the two or three fish I left with the minister a moment ago have been consumed, undoubtedly with some relish, and from this sample the minister will appreciate how important and necessary it is that the native people, whose traditional food this is, continue to have the opportunity to catch and consume it without placing their lives in jeopardy in the process. If the minister would care to make some comment I would be very happy to hear it.

Mr. Robichaud: Mr. Chairman, I will be very brief. I wish to thank the hon. member for bringing this situation concerning the oolachan to our attention. I note that this small fish acts like the smelt in that it comes from salt water to spawn in fresh water. The problem he has mentioned is well known to my department. We have made some surveys and have done some research concerning the situation. We have found out that the oolachan are not affected by the condition of the water and we are unable to act with respect to the matter because it does not come within the scope of our jurisdiction. It is a local problem which needs the co-operation of the provincial authorities, who are responsible for health matters, and also the local municipal authorities. In view of the remarks made by the hon. member I want to assure him that we will again take up the matter with the authorities concerned to find out if something cannot be done to improve the situation.

Mr. Howard: Just as an adjunct may I say it is undoubtedly true that the oolachan is not adversely affected by swimming through the sewage area.

Mr. Robichaud: They are immune.

Mr. Howard: It is the opinion of Dr. Woolacott that the trouble arises from the fact that when the native people catch the oolachan and take them out of the water they cannot spend the time scraping the muck and guck off each fish before hanging it up to dry

and to be smoked, and in the process some of the dissolved solids cling to the fish. All fish have some degree of slime and this matter just sticks to them and makes it that much worse. I know the minister is conscientious about this matter and we would appreciate something worth while being done.

Mr. Tucker: Mr. Chairman, I have one question to ask the minister. On January 14, 1964 a college of fisheries, navigation, marine engineering and electronics was opened in Newfoundland with Dr. W. F. Hampton as president. I am sure this college will prove very beneficial to our fisheries in Newfoundland. Dr. Hampton has worked as a control and research chemist with industry and has also served on the staff of the food and agriculture organization of the United Nations with headquarters in Rome. He also played a very important part in the development of the product now known as fish sticks. As a matter of fact, I believe he was primarily responsible for this development. Would the minister advise if his department provides grants for such colleges as the one recently opened in Newfoundland and whether these colleges have an integral part in the program of fisheries management and development of his department? Also, do they have a distinct role in the program of national fisheries development?

Mr. Robichaud: Mr. Chairman, I want to assure the hon. member that we are cooperating very closely with the work being done at the new fisheries college recently established in Newfoundland. We are contributing technically, but so far as financial assistance is concerned that comes under the vocational training program of the Department of Labour.

Mr. Alkenbrack: Mr. Chairman, I have a few brief remarks and questions regarding vote No. 1 of the fisheries estimates. I congratulate the minister on his elevation to his important post in the cabinet. I listened with interest to the rosy picture he painted of our national fisheries industry. However, Mr. Chairman, I am not rising completely to that bait.

The federal Department of Fisheries seems to be principally interested in ocean fishing. I point out to the minister that in his speech he completely overlooked the great expanses of inland fresh water. I refer to the great lakes, lake Superior, lake Huron, lake Erie and lake Ontario. Each of them is a contributor to our international balance of trade through the fresh water fishery.

As I said, the minister painted a glowing and optimistic picture of the industry over which his department presides. I would point out to the minister that this is at variance with the latest commendable studies and work of economists. I happened to have in my office a book I obtained from the library some time ago. It is by Caves and Holton, economists of Harvard University and is entitled "The Canadian Economy". At page 560 they state:

> The fisheries of Canada take the prize for slowest rate of growth of any of the major Canadian industries, with output rising only slightly more than 0.5 per cent annually since 1926.

So, we have nothing of which to be very proud, except the fact that the product of the industry is of great value for the sustenance of millions of people, especially in the United States.

I return again to the great lakes and the importance of the great lakes fisheries, Mr. Chairman, to our balance of trade. The principal market for fish from our district, that is the shores of Prince Edward-Lennox, is the New York market. As a result of what I believe to be the very serious condition existing in the great lakes, especially lake Ontario, which is the lowest of the lakes in the chain and thus receives all of the pollution that comes into the other lakes, the fishing industry is in serious condition. I have here, Mr. Chairman, a communication from an experienced fisherman who has devoted his life to the fishing industry in the county of Prince Edward. He sets out very briefly the conditions that exist, and I quote:

> This will be my twentieth year in the commercial fishing business and during that time I have worked in just about every phase of the commercial fishing business. My company has been active in both catching and processing fish for human consumption. We have sold both packaged fish and live fish to wholesalers in Canada and the United States. About five years ago we noticed a decrease in some species of fish and at that time in order to substitute for this shortage we started to prepare fish for biological studies. Since then we have supplied such companies as Borealis Science of Cooksville, Ontario, Wards Science of Rochester, New York and Carolina Science of Burlington, North Carolina, with both fish and fish eggs that we scientifically prepared for biological studies. This sudden scarcity of fish in this part of lake Ontario is a real tragedy for many fishermen as fishing is all that many of them have ever done and there are 240 licences issued in this area for taking fish commercially. Many of them are wondering if this is the end of the business, and if so what to do from here on. We know that in the past some species of fish disappeared but they made a comeback but this time nearly all species are going and not even our top-notch biologists can tell us why. I feel that much research must be done—

This is true, if the commercial fishing industry in lake Ontario and the other great lakes is going to survive. I point out to the minister the clear and vital need for his department devoting their utmost to the study of this situation. We are living in a fool's paradise because pollution of our lakes and streams is allowed to continue. I believe things are not well with the industry over which this department presides because I note the hon. member for York East has pointed out some places in which there are problems connected with the industry.

We have one family among many in my area who have been fishing for a living for many years. This family reports to me that they own approximately $100,000 worth of first class fishing equipment, including a tug, and many nets. They cannot now make a living from commercial fishing, even with all the gear they have accumulated because of the reduction in the available catch. They are going out and coming in with nearly nothing. They are losing money on their investment. It would be well for the federal-provincial committees the minister has mentioned, and the international joint commission, who have a certain amount of jurisdiction over these international waters, to study this situation of pollution on the great lakes. Pollution sounds the death knell of commercial fishing on these lakes unless we do something about it. We are, in fact, befouling our own nests. Last summer, in fact, the pickerel were floating dead by the millions on the bay of Quinte and along the shores of Prince Edward county, that is the northern shore of lake Ontario. The whitefish have been killed off by the lamprey. We have not even conquered the lamprey eel as yet, although I will admit that progress has been made along this line. We have a long way to go yet. The lake trout are practically extinct in all the lakes except lake Superior.

This matter deserves the attention of the government, first, because of the employment factor; second, because of the food processing factor which adds to employment in the secondary industrial field. Third, the transportation factor, which is very important and the international balance of trade which I mentioned earlier, deserve our attention. In other words, the fresh water fishing industry has a favourable impact on Canada's international balance of trade. The factor of future economic stability is also worthy of note, to say nothing of the advertising factor. The fresh water fish from the great lakes have made a good name for Canada abroad and in the United States. The minister has said that we should, in our educational programming, encourage greater consumption of fish. I commend him for that statement and for his work along this line. Another part of this program should be directed toward conservation and better national housekeeping. There should be greater liaison and co-operation between the United States and Canadian governments, and through the international joint commission, in relation to the abatement and prohibition of pollution of the great lakes. I ask the minister to use his influence and that of all other bodies that have jurisdiction over these lakes, to bring about an improvement in these conditions which are certainly nothing of which we can be proud at the moment.

Mr. Fisher: There are only a few points I want to touch upon. I gather that my colleague has already made a similar suggestion to the one I made in connection with the Department of Mines and Technical Surveys, when I argued this was basically a scientific department. I believe this argument applies also to the Department of Fisheries. It seems to me that one of the considerations this government should be giving is to a complete reorganization of the ministries and having, generally, a minister of science, particularly in terms of the applied sciences. Of course, we can think of all sorts of reorganizations. Obviously we will have to do something with the Department of Trade and Commerce and the Department of Industry clustering in each other's fields. It seems to me that fisheries, forestry and mines are three departments with which one could start, because their activities are primarily scientific and investigative rather than being in the political sphere or where they have political connotations in terms of the requirement of immediate political action. I think this should be seriously considered.

Some people may say, "It is all very well for you to make such a suggestion with regard to fisheries when you don't come from the maritimes and you don't have all this squid cutting and all the other problems in connection with the hand lines and so on," but I am not convinced that the maritime people, or the people who still depend on fishing for their income, would really be bereft or deprived of something if they stopped having a minister to report to, and instead had a general scientific agency to which to report, because it seems to me that aside from a rather small amount—and what appears to be a disappearing amount—of subsidies through

various programs, the actual activities that touch the fishermen in any political or in any other way that starts up partisan controversy are largely disappearing.

It has been notable that our friend who is the minister, when he was in opposition was one of the most bristling and aggressive of the members of the opposition. When he became a minister you would have expected him to be the same way, but the plain fact of the matter is that his portfolio does not give him the opportunity to be so. We can all remember our very affable friend over here from Prince Edward Island when he was minister of fisheries. In essence the role, so far as it was a political one in the House of Commons, did not really give him an opportunity for the general cut and thrust and the general political responsibility that I suggest attaches to a minister.

My feeling is that this is one more of those departments we should consider when we take a look at the old traditional attitude, and see if we cannot re-arrange them under a general ministry of science, and possibly wipe out one or two portfolios, or perhaps provide portfolios in other areas and other fields which might merit them. If you judge by the interest in the questions in the house, broadcasting alone would merit a minister much more than fisheries, mines and technical surveys or forestry. It seems to me the thing to do so far as ministerial things are concerned is to adjust to the positions that are considered important, relevant and current among the people in politics.

One of the questions I would like to ask the minister relates to the advice that was given by the scientists of the Department of Fisheries to the other departments, and particularly to the Department of Transport, with regard to the question of opening up the Trent waterways. As the minister knows, game and fishing associations in Canada have made this somewhat of an issue, and I know my hon. friend over here from up in the Orillia area has been actively interested in this. I have a couple of fishing and game groups who have seen what has happened with the lamprey eel on lake Superior, and they are of the opinion that steps should be taken or plans made to go ahead with supporting a program that would offset the entry of the lamprey eel into lakes following the opening up of the Trent waterways. They feel this would be a most retrograde step, and I understand the decision to go ahead has been taken. Because of that I would like to know if advice was sought from the Department of Fisheries, and what advice was given.

The second point I want to ask about is whether the minister's officials have considered doing an economic study in relation to the fisheries situation on lake Superior. As the minister knows, the fishery, so far as trout are concerned, has been almost wiped out because of the lamprey. However, we assume that because of various control measures that have been taken the trout are coming back, though not with tremendous speed. It seems to me at this time, particularly when the number of fishermen on the Canadian shores is very low, it might be a good time to go ahead with our United States friends and make an economic study of the future of the fisheries on lake Superior. This is especially important, because more and more use is being made of lake Superior which is littered with campers, U.S. fishermen, and of course, Canadian fishermen, and when I say this I am thinking of sports fishermen rather than commercial fishermen.

It seems to me there may be a case—I am not supporting it particularly—that as lake Superior comes back it should not be opened up again or not turned back to the trout fisheries on a commercial basis. Rather, it should be exploited for sport by Canadian fishermen. This should be particularly interesting if the stories I hear from my acquaintances in provincial fish hatcheries are true, and these stories are to the effect that landlocked salmon are adjusting very well to planting experiments in lake Superior.

I suggest to the minister this might be a place where his department could play a role in an economic study, undertaken jointly with the provincial department of lands and forests and the United States wild life service, or one of the other U.S. agencies that operate in connection with the lamprey control program.

The last matter I want to question is whether it is true that the lamprey control program has been successful in cutting out the reproduction cycle so far as the streams are concerned, and whether it is true there is now strong evidence that the lamprey is turning to cycles on the flats and beach areas along the shores of lake Superior. I am told this particular eel is adapting to the control program, that it is taking defensive steps, I suppose in a way by instinct, to survive the control program. If this is so, means of control are going to be tremendously expensive, and I would like to have a comment from the minister on whether this is true.

I would also like him, not during the debate on these estimates but in his annual report, to give a clear analysis of the amount of expenditure on the lamprey program by all the various agencies. I do not mean the contributions. I want to make a distinction, and I would like him to show where the money came from for the program as a whole, and then how the money was spent by the various agencies. I appreciate the information that is available in his report, but I would like to get a complete picture of how all the agencies, those of Canada at the federal and provincial level, and those of the United States at the state and federal level have responded and co-ordinated in this program, because from what we can see it has been an example of fruitful co-operation and co-ordination.

That, Mr. Chairman, sums up the remarks I want to make on the Department of Fisheries. There is one other matter I would be interested in, but again just as something prospective. I would like to know whether the minister or his officials are aware of any work being done in so far as exploiting the fisheries on the shore of Hudson bay are concerned, up north of Winisk, particularly with reference to the Indian population. I raise this matter because this is part of my constituency—a very hard part to visit, as it is about 500 miles from the main population centre—and recently I have received information that the Indians in that area, because of their association with the D.E.W. line work and the attractions of airport life, have gradually lost a number of their traditional skills that enabled them to support themselves. It has been put to me that one of the things which could make their life more attractive from an economic point of view would be if they were staffed and fitted and given a training program to exploit the fisheries along Hudson bay shores. I do not know what merit is in the suggestion, but I would like to know whether the minister is aware of it.

Mr. Robichaud: I shall reply briefly to the questions which have been asked by my hon. friend from Port Arthur. First of all, I want to tell the hon. member that there is so much work to do in the Department of Fisheries which requires so much of my time that I cannot devote more time to my work in the house, as the hon. member suggested.

He asked about the opening of the Trent waterways. Let me assure him that my department is well aware of the effect it could have on the movement of lampreys from one area to another, but we are now investigating that matter. So far as lake Superior is concerned we agree that trout have virtually been wiped out, and it is recognized that this has been partly due to the effect of lampreys. In this regard joint studies are being made to find out what is the economic effect of the money spent on control of lampreys to date. As the hon. member knows, the federal government has been spending from $500,000 to $600,000 yearly on this program which is shared by the United States government on, I would say, a somewhat larger scale. We know to some extent, as I reported before the dinner hour, what effect the lamprey program has had on the lakes, but we want to find out if it is effective economically. We are not yet sure, but this does not mean that we are going to cut down this program. We are working jointly with the great lakes commission and hope that we will be able to solve this problem.

So far as exploiting the fisheries on the shores of Hudson bay is concerned, I know this is of main concern to the Indian population of the area. We have conducted some studies particularly in relation to marine mammals. As I mentioned in my opening remarks yesterday, we are building near Ste. Anne de Bellevue a new laboratory which will look after the problems of the Arctic. I am sure that once we have this laboratory in operation we will be able to look more closely after the problems of that particular area.

Mr. Fisher: May I just develop the lamprey question a little further. Is there any indication that the lamprey cycle is adjusting to the measures which have been taken to poison the streams? There is evidence now that they are using the beaches and shallow waters in the bays for the larvae stage of the cycle.

Mr. Robichaud: We are aware of this, Mr. Chairman, and what we are trying to find out is whether the amount of lampreys using the beaches and shallow waters are increasing compared to the years before we introduced this program. I do assure the hon. member that this matter is under investigation now, but I am not in a position to make a definite statement on the effects of the spawning which is taking place.

Mr. Fisher: Just one other point in connection with the economic study. To paraphrase the minister, he said the economic study is in relation to the amount of money being spent on the control program. What I am interested in is an economic study, in co-operation with the United States and the departments of lands

and forests, which would consider seriously lake Superior in future being a lake which will exploit sport fishing rather than commercial fishing. I do not mean to discontinue commercial fishing altogether. I would assume that fishing for whitefish and herring would still continue, but as far as trout is concerned I would assume that in future lake Superior would be of greater economic advantage to the communities along its shores in terms of tourists and sporting groups than in terms of commercial fishermen. It seems to me that it is worth looking at this matter, in view of the tremendous increase in the number of people using the north shore route and pouring into that part of the country to enjoy its natural beauty.

Mr. Robichaud: Mr. Chairman, we will take note of the suggestions made by the hon. member and discuss them with the other authorities of the province of Ontario.

Mr. McLean (Charlotte): Mr. Chairman, I have been listening to a lot of talk about fisheries but I have not heard anyone say anything about the lowly sardine. I maintain that you cannot read a book, go to a play or to a moving picture but that the word sardine is mentioned; and if you do not believe that, Mr. Chairman, look out for it in the future and see whether what I say is not true.

The sardine is principally produced down in Charlotte county and Passamaquoddy. Why the sardine comes to the Passamaquoddy no one knows, but it has been coming there for 80 years or more. The sardine industry distributes $6 million to the county, yet no research work has been done by the government to investigate the type of run we will have, whether it will be big or small or anything like that. We know all about the salmon and the halibut but know nothing of the lowly sardine. I think it is about time that the fisheries department took more interest in it and did some research work to find out about these runs which we have. They have told us that they spawn on the southern coast of Nova Scotia and then come over, and so forth, but the pattern changes from year to year and is never the same. Today we might have a very short pack on the coast, but we do not know why. Next year we may have a big pack. It does seem to me that some research work should be done to find out why we have a big pack or a small pack, because sometimes hundreds of thousands of cans are purchased and piled up and we find we have nothing to put in them. Somebody said to me that it was all on account of one man. One of my colleagues told me: "You have established this industry and gone along with it, so it is your problem". So I said to him that when I came here to Ottawa I resigned as treasurer of my company. I am no longer a director of it. The company has nothing to do with me, except in helping to promote the industry.

In the Passamaquoddy area the United States wants to dam the waters to develop power, and so on. As far as I am concerned I am getting along in years and will probably never live to see this power developed, but I do want to see the industry protected for future generations. For my part I have gotten along all right. When I came up here to Ottawa I told my constituents that they would not have to pay me because I would assign any money I received from Ottawa to the provision of scholarships in my constituency, and this I have done. I resigned from my company. All I am interested in is the protection and the future of the industry.

I think that the fisheries department should provide more research. I know the minister is interested in this and I know the deputy minister is too, but I do not know about his department in general. The sardine people, the people in whom I am interested, do business in 60 countries. This money flows into Canada and it certainly helps in regard to our balance of payments. If we knew there was going to be a big year, we would provide for it. We would buy the tinplate in Hamilton and this would provide a lot of work in Hamilton. We would buy hundreds of thousands of cases of cans and hundreds of carloads of tinplate from Hamilton. But we do not know. We wish they would tell us what is likely to happen, the same as they do in the salmon industry. They say, "We are going to have a big year this year; a small year next year". If we knew this, we would know what to do. But we do not know what to do in our industry. This has been going on for the last 70 or 80 years, and we should know something about it. Investigations have been carried out, and it is said, "We think so-and-so will happen". But nobody has said, "This will happen", or, "That will happen", and so on and so forth. Therefore, Mr. Chairman, we do not know what to do.

This Passamoquoddy project is coming up. I do not think it will ever get under way, because I think the power will cost 16 mills, whereas they say it would cost 4 mills. But I am not bothered about that at all because that is at the head of the bay, and with Shepody you can get three times the power.

If the Americans wanted to develop Shepody they could get three times the power. They could afford to throw in the Chignecto canal. There is $100 million there with the Chignecto canal, and they could afford to throw that in and yet develop the head of the bay; because they have tides there up to 60 feet, and down in Passamaquoddy we only have 16 feet at the head. They could get three times the power at the head of the bay with about two thirds of the cost. So I cannot see that it is reasonable to develop Passamaquoddy from a power standpoint. But, Mr. Chairman, that is neither here nor there.

However, I believe we should know why these small fish come there. That is the most important question. You could understand it if from year to year there was a certain pattern of fish coming in there; you would know they were spawned in a certain place and drifted in, and so on, with the tides. But this is not so. Sometimes they come in small, sometimes they come in large, and then they come in small again. This type of fish has been coming there for a thousand years, I suppose, and nobody knows why. All we ask the fisheries department to tell us is why they come there; then we will not oppose power or anything. We want to know why the fish come there; why from year to year they come there small, and then large, and so on and so forth. At the present time in our companies I suppose we have 300,000 or 400,000 cases of large fish packed up in what we call 13 ounce and 7 ounce. We have to go out in the world markets and sell these fish. In the sardine industry you have to pack the fish as they come along; you cannot just pick and choose. We are no good to the fishermen unless we take what they bring in; and we have to pack what they bring in, large or small.

This year they were running large, and we have hundreds of thousands of cases of large fish which we have to go out in the world markets and sell. Next year perhaps they will run small and we will have to go out and find markets for small fish. We do not know what size they will be; but if we knew through research what we were going to have from year to year, we would know what we had to go out and advertise and sell in the sardine markets. This industry has grown from a few thousand cases to over two million cases. At the present time in the sardine industry three to one tins of sardines are packed in Canada. That is the proportion. In this country we pack more than the great United States; we pack more than Norway. So, Mr. Chairman, this industry deserves some attention and some research.

Another subject upon which I should like to touch is the clam situation. We told the fisheries department 15 or 20 years ago that they were not going to have any clams unless there was some conservation in the industry. Today we have no clams in New Brunswick. Why? Because conservation was not practised. The scientists in the fisheries department said, "No; it is the green crab", or something, "that is destroying the clams". I will tell you, as a practical man, what destroyed the clams. It was the fishermen; because you cannot sell a clam unless it is two inches long. The clam digger goes along and digs a row. He takes the two inch clams out and sells them. But where he takes a barrel of two inch clams he probably exposes four barrels of smaller clams, and he does not do anything about them; he is not going to bury them again. What happens? The gulls and crows take over. According to the scientists a gull cannot eat a clam because a clam has a shell on it; but I think the gull has probably a little more sense than the scientist, because he takes the clam up in the air, drops it on the rocks, the clam opens, and the gull comes down and eats it. That is what happens. Today our clam beds have been exhausted. We have told, not only this government but other governments, about the clam situation and they have not done anything about it.

They should do something about it. We should conserve our clams down in New Brunswick. I think we should conserve the beds and do something for the future; because I remember the day when we had clam factories all along the coast—and today there are none. There is no reason for this situation; there is no reason why we should not have more than one clam factory; in fact, we should have a dozen. But, as I say, we haven't any. In my opinion we need more research in this matter and perhaps a little more common sense in the fisheries department. I know the minister has all kinds of common sense, because he was born and bred in the fishing industry in New Brunswick. I served on the fisheries committee and heard the deputy minister, and I know he knows all about the fisheries. But they want to use some common sense in this matter and we want more research.

This research is needed if the sardine industry is to progress. It has grown. I would say it is something like Topsy—it just grows. But they have their setbacks and there is no reason for them. This industry should go

ahead all the time from year to year because it provides a great deal of employment. At the peak of the season 2,000 of our people are employed in this industry. Normally there are 600 people working the year round; but at the peak of the season 2,000 people are employed. Six million dollars are being paid out, and money is being brought into this country from all over the world. This industry has to be considered. People should think about it; the fisheries department should think about it and some research should be carried out for this industry.

Now, Mr. Chairman, I have a little something to say about draggers. I have heard a lot of talk about monopolies in farming, and syndicates and how the syndicates were going to promote monopolies, and all that sort of thing. I represent a constituency that is concerned with farming. If the government wanted to lend me money to start farming, I would say no; I would keep away from it. I do not want any money for farming. We lost $150,000 during the last 15 years so we do not want any money for farming.

I have heard it said about fishing that we have a monopoly, and a company goes out in the springtime and catches all the fish. We cannot sell this product in Canada because there is not a sufficient market. If we produce 15 million or 20 million pounds of fish there is no market for that amount and we have to sell it to the United States. The purchasers there say we must sign a contract for 500,000 pounds of this, and 500,000 pounds of that. They tell us that we should give up using small draggers in the bay of Fundy and obtain large steel draggers, and go down as far as Georges bank, because we will be able to bring in between 100,000 pounds and 300,000 pounds. As a result of this suggestion we obtained large steel draggers, went out in the bay of Fundy and caught a great deal of fish, but by the time we sold them, considering that they had to be processed, we only had about 30 per cent left. The fish are gutted at sea and the livers and everything is thrown away, and all we have left are the clippings. I do not think the large monopolies are making any money in this industry, but rather that the small operator is making money. When we were small and used the small draggers in the bay of Fundy we were making money. I think in respect of every pound of fish we sell this year we will lose money.

An hon. Member: That is the Liberal government for you.

Mr. McLean (Charlotte): I assure you that we are losing money.

An hon. Member: I do not believe you.

Mr. McLean (Charlotte): You should have a look at our balance sheets if you do not believe me. You do not know anything about the fishing business or you would not question my statement, but would pat me on the back and state that I am right.

I have nothing more to say, Mr. Chairman, except to repeat that more research should be done in respect of this industry.

When a producer buys a fish in the raw he may pay five cents per pound for it, but when you buy the same type of fish at the market it likely will cost 40 cents per pound. To understand this situation you must realize that only 30 per cent of the raw fish is marketable. People are inclined to suggest that the monopolies are making a great deal of money because they have to pay 40 cents a pound for fish at the market. They should keep in mind that the same fish is sold in the raw for perhaps four or five cents a pound. I bring this information to your attention so that when you go to the store and have to pay that much for fish you will not complain because you will be aware of the situation, and realize that the fisherman is not making a lot of money.

At this time there is a very serious scarcity of fish and I do not believe the processors are going to make any money this year. We must have more research in respect of the sardine industry. You might suggest that this is a very lowly industry, but I point out that it amounts to $6 million in my county alone, and the products are sold all over the world. One can go to any foreign country in the world and mention the word "sardine" and the people there will understand what you are talking about, whereas you may mention wheat, or any of a variety of foodstuffs or products and the people are just as likely not to know what you mean. I repeat that we must have more research in respect of this industry, not that it will mean anything to me personally, but it will mean a great deal to a future generation in my county in the province of New Brunswick. I suggest that the fisheries department should pay more attention to this particular fishery.

Mr. Barnett: Mr. Chairman, I am sure we have all listened with a great deal of interest to the hon. member for Charlotte who has given us some information about this very important sardine industry, and has referred to the need for research in respect of the

mysteries of that particular fish. As the hon. member was speaking I thought that he was at least in a more fortunate situation than I, in that one of the fishing industries in British Columbia has completely disappeared. The sardine, whether large or small, is still in existence, but one of the unsolved mysteries on the west coast is the complete disappearance of the pilchard. The pilchard used to swarm in very large numbers, but to my knowledge no one has seen even one for a number of years.

I am very pleased that the Minister of Citizenship and Immigration is in his seat tonight to listen to the discussion we are having in respect of the Department of Fisheries. I am sure he was interested earlier in the evening when my colleague from Skeena was talking about the oolachan, which is of importance to many of the native Indian people on the west coast. In view of the situation the hon. member for Skeena described as existing at the mouth of the Kitimat river, I think perhaps I should explain that the oolachan which he presented to the Minister of Fisheries came from the Nass. I suggest the Minister of Citizenship and Immigration, in his capacity as superintendent general of Indian affairs, should not lose an early opportunity of sampling these small oolachan, a sample of which I am sure the hon. member for Skeena would be pleased to provide.

Mr. Chairman, I should like to say a few words about a matter in which I think the superintendent general of Indian affairs and the Minister of Fisheries have a common interest, and perhaps the remarks I make in respect of this particular item during our discussion of the fisheries estimates will serve to shorten the remarks I might otherwise make during our consideration of the Indian affairs branch. I should like to call the attention of the Minister of Fisheries and the Minister of Citizenship and Immigration to some interesting comments which appear in a book entitled "The Indians of British Columbia" by Hawthorn, Belshaw and Jamieson, and which I believe is still considered to be a basic work as far as a survey of the situation in respect of Indians in that province is concerned. This information is now old but it was produced at the instigation of the Department of Citizenship and Immigration in an attempt to provide a social and economic survey of the Indians of British Columbia. Perhaps I might refer briefly to chapter 10 which is entitled, "The fishing industry", the first paragraph of which states:

[Mr. Barnett.]

> The fishing industry is by far the most important field of employment and livelihood for Indians in British Columbia. As shown in table III in chapter 7, more than 2,000 Indians derive their main source of livelihood from various branches of fishing itself, and another 1,000 or more, the vast majority of whom are women, from fish canning or processing.

The chapter goes on to describe the historic pattern of the industry as it has affected the livelihood of the Indian people. I think it is apparent that since the incursion of the white man into what was originally the basic means of livelihood of the native people of British Columbia the pattern has had its ups and downs with, unfortunately, a good many more downs than ups. I think it emerges rather clearly from a study of this chapter that the developments taking place at the time this work was produced and which have been proceeding at an accelerated pace since 1958 have tended to remove more and more Indian people from their proper status within this industry. On page 112 there is this reference to recent developments:

> There have been a number of other important developments in the fishing industry of British Columbia in recent years. In different branches of the fishing industry and in different areas of the coast they present a somewhat confusing picture, in which it is difficult to assess accurately the present and future status of Indians in fishing and canning employment.

Then it goes on to refer to the rapid technological changes that have been taking place both in the fishery and processing sections of the industry. If the Minister of Fisheries and the Minister of Citizenship and Immigration will refresh their minds with the outline contained in this chapter of the book it will become clear to them that one of the problems the Indian people have been and are faced with is that they have been pushed into a poorer and poorer economic position relatively speaking, and that by and large the relative efficiency of the type of fishing gear they have been able to acquire and use has declined in relation to the kind of gear used by the whites and by the Canadians of Japanese ancestry. This is presenting a most serious problem.

The book makes clear that many of the Indian people today are in the position of being marginal fishermen. At the conclusion of the chapter on the fishing industry as it affects the Indians there is an attempt to make some recommendations. The authors suggest that in some respects it may perhaps be better if many of the Indian people would move into other industries. I should like to refer to the last paragraph in this chapter

because I think it has particular point in view of what has happened since the book was written. On page 123 the authors say:

> One saving feature in this situation is that those coast bands who seem to face the greatest threat of mass displacement from fishing, particularly in the Skeena and Nass areas and on the west coast of Vancouver island, live in heavily timbered areas in which intensive logging and lumber processing operations are likely to be under way in the fairly near future. The whole problem, however, requires further surveys and investigation, particularly of the employment and income potentials of timber resources accessible to Indian bands in each major district.

I realize that my colleague, the hon. member for Skeena, is much more familiar with the Skeena and Nass areas than I am, but with respect to the west coast of Vancouver island, where many of the fishermen have been pushed into a very marginal position, the fact of the matter is that in spite of the statement that there are large timber resources on the west coast of the island, which is correct, the economic opportunities in that field which have opened up to the Indian people since this book was written in 1958 have been very limited indeed. One reason for this has been the kind of policies that have been adopted at the provincial level in respect of allocating the forest resources for harvesting.

I should like to refer to one particular community of Indians, Ahousat, whose reserve is located on the seashore in the midst of a tremendous area of forest resources. In spite of a number of years of intensive effort on the part of the member of the provincial legislature for Alberni to have steps taken leading to the development of employment opportunities in the logging industry for the people of Ahousat, the fact is that most of them at the present time are in a very marginal economic position and are living under conditions which I am sure the minister, if he is aware of them, would have to agree are completely disgraceful. A forest management licence for the whole area has been granted to one major forest products concern. Some of us have attempted to argue that an economic log producing unit should be established to provide employment opportunities for these people, but so far no such steps have been taken.

The fact remains that the Ahousats, like most of the people on the west coast of Vancouver island, are historically a fishing people and would like to be able to continue to fish. However, because of the change brought about by the removal from the west coast of Vancouver island of the many fish canning and processing plants which existed there, because of the fact that technological change has resulted in fishermen from other areas being able to range far and wide into areas where the Indian fishermen cannot go in their small boats, because of the fact that the plenitude of fish close inshore has dropped to the point where they find it difficult to fish in a way which will return an income above marginal level, these people in fact are really not in the fishing industry in the way that they were. In days gone by they were known far and wide for their skill in fishing. The Ahousat people at one time played a large part in whaling and sealing. They have a long tradition in the fishery and it is their most natural occupation.

The Minister of Fisheries will recall that not long ago the Minister of Citizenship and Immigration announced the beginning of a community development program for the Indian people. I suggest that here is an area where there should be the closest co-operation between the Minister of Citizenship and Immigration and the Department of Fisheries so that a realistic program of community development can be initiated along the west coast of Vancouver island. I suggest that one thing that is needed is a program which will enable the Indian people in these smaller west coast communities, of which I have used Ahousat as an example, to compete efficiently in the fishery.

The Minister of Citizenship and Immigration knows that there are certain funds available to his department to assist the Indian people in obtaining fishing vessels and gear; but these funds are completely inadequate, and the arrangements under which they can be had are completely unrealistic so far as putting the fisherman in a competitive position with other fishermen is concerned. I should like to suggest to the Minister of Fisheries that the role his department should play in this field is to see that these people are being treated fairly and receive the same amount of attention in respect of credit arrangements for modern fishing vessels and gear as any other citizen in any other part of Canada. This is simply not the case at the present time.

So, Mr. Chairman, I welcome this opportunity to express, as briefly as I can, what I feel is a very important aspect of the fishing industry and a very important concern so far as the superintendent general of Indian affairs is concerned, at a time when both ministers happen to be in the house.

I hope both ministers will take note of this situation and work together to do something about it.

Mr. Howard: Before we proceed to pass item 1, Mr. Chairman, I should like to ask the minister a series of questions relating to expenditures in the past year for a variety of items and programs, with a division of those expenditures as between the Atlantic and Pacific coasts. I should like to start with the Newfoundland bait service. I would assume from the name of it that the moneys spent are spent mainly on the Atlantic coast and that none of this money is available for the Pacific coast because Newfoundland does not extend that far, even though I am sure some Newfoundlanders think it does or would like it to. Can the minister tell me with respect to the Newfoundland bait service the amount of money that has been spent during the past year?

Mr. Robichaud: If the hon. member wants an immediate answer, I would say that last year we spent for the Newfoundland bait service—this includes the construction of the new *Arctica*—$1,148,000. Normally, the total expenditure for a year is about $400,000. This amount is just for Newfoundland because it is provided under an agreement under the terms of confederation.

Mr. Howard: Can the minister tell me also with respect to the operations under the Fisheries Prices Support Act, what have been the expenditures on the Pacific coast and the expenditures on the Atlantic coast?

Mr. Robichaud: Under the prices support board, as I mentioned in my earlier remarks, the administration expenditures this year have been moderate, namely, $62,866. There was no direct support given last year. This year we expect to have about $25,000, I believe, for the Magdalen islands, and about $60,000 was set aside for support for the sauger fishery in the prairies. This is as a result of a lack of markets for smoked fish.

Mr. Howard: Would this be the first year of operation for the Fisheries Prices Support Act in the prairies?

Mr. Robichaud: No, it has been effective in that area in the past.

Mr. Howard: There have been no expenditures under this act on the Pacific coast?

Mr. Robichaud: Not last year.

Mr. Howard: Can the minister indicate to me the amount of money that has been expended by way of subsidy under the so-called fishing vessel construction program, again dividing it as between the Atlantic and Pacific coasts?

Mr. Robichaud: As the hon. member knows, the subsidy program is only applicable to the Atlantic coast. The amount spent last year was approximately $500,000.

Mr. Howard: Can the minister tell me the expenditure in connection with the salt subsidy program, and whether or not that is exclusively expended on the Atlantic coast, or whether the Pacific coast is involved as well?

Mr. Robichaud: The salt subsidy program also applies to the Atlantic coast. The total expenditures last year were slightly over $600,000.

Mr. Howard: There is an item in the estimates for grants to the Nova Scotia fisheries exhibit at Lunenburg, which is exclusively a matter for the Atlantic coast, of $3,000. I wonder if the minister can give me a breakdown of the grants to Canadian universities as between universities on the Atlantic coast and universities on the Pacific coast?

Mr. Robichaud: The grants to universities are as follows: St. Francis Xavier, $51,700; the social economics service, Ste Anne de la Pocatière, $27,100; University of British Columbia, $11,200; Memorial University, St. John's Newfoundland, $30,000.

Mr. Howard: There is an item referred to in the estimates as development and demonstration of fishing vessels and gear. I wonder if the minister could tell me the expenditures under that item, again divided as between the Atlantic and Pacific coasts?

Mr. Robichaud: This answer, Mr. Chairman, would require detailed study if we were to separate the amounts. The total expenditure amounted to $195,000, and I would say that a large proportion of this was spent on the east coast although some demonstrations have taken place in the great lakes area and in British Columbia.

Mr. Howard: There is another item following that with regard to development and demonstration facilities for processing, packaging, storing and transportation. I assume that perhaps I will get a similar answer from the minister, that it would be difficult to break down the expenditures.

Mr. Robichaud: Yes, it would be difficult unless we had notice that a detailed study was required.

Mr. Howard: Could I at this stage ask the minister if he would be kind enough to make that study and communicate by letter whatever information is available?

Mr. Robichaud: I will be pleased to do that.

Mr. Howard: Will the minister communicate also with respect to the amount of money paid for the destruction of harbour and grey seals, divided as between the east and west coasts?

Mr. Robichaud: I do not have the exact figures, but I can tell the hon. member that the larger proportion if this expenditure was on the west coast. In fact we had a shortage of funds there about a month ago, because all our appropriation was expended.

Mr. Howard: Am I correct in assuming that the bait freezing subsidy is also limited to the Atlantic coast or is the Pacific coast involved as well?

Mr. Robichaud: The bait freezing subsidy applies to the Atlantic coast, and the main reason is that this is the area where there is a requirement for bait because of the type of fishing which is practised there. The total expenditures last year were $22,670.

Mr. Howard: Mr. Chairman, these are helpful figures and it is helpful information. What I was trying to do, perhaps, was to substantiate the argument I have put forward in various speeches, namely that there appears to be an imbalance between the expenditures by the Department of Fisheries on the Atlantic coast as compared with the Pacific coast. I hope no one will misinterpret what I have said. I am not in any way decrying the fact that expenditures are made and services are provided by way of subventions for salt, subsidies for the purchase of squid for bait, for fishing vessel construction, and so on. I do not know the Atlantic coast fisheries, but I am quite sure there are a lot of grants for the Atlantic coast and the maritime province of Newfoundland that are quite well justified, and necessary to preserve the fishing industry on the Atlantic coast. However, there appears to me to be an inordinately large amount of preference given to Atlantic coast fisheries by the department, as compared with that provided for the Pacific coast fisheries.

I know that fishermen at home in B.C. on the west coast make inquiries from time to time about various assistance programs. They want to know about this bait freezing subsidy. They do not freeze bait on the Pacific coast but they could get some assistance in this way. We do not salt fish on the west coast, but the fishermen there ask, especially in difficult years when prices are low, such as last year and the year before, why there cannot be some provision made to assist or subsidize some section of the industry on the west coast, so that the fishermen there could get a little better opportunity to make a more decent income than they do now. There is this concern about the heavy weighting of consideration for the Atlantic coast fisheries vis-à-vis those on the Pacific coast.

I was waiting for the minister to make some comment about a telegram which I hope has been forwarded to him, dealing with this very question. It involves the fishing vessel subsidy and the order in council which sets out that this is exclusively for the provinces of Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland. The Pacific coast is specifically excluded from the operations of the fishing vessel subsidy, and on August 28 Mr. Guy Williams, who is president of the native brotherhood of B.C., sent a telegram to the Minister of Citizenship and Immigration which I think I should read. It said:

> Forward to Minister of Fisheries, Hon. H. J. Robichaud. Request you act on behalf of native fishermen in B.C. to be included in extension of fishing vessel assistance regulations as in five provinces. Minimum length of 35 foot boats ideal for combination gillnet-troller and longline operation.
>
> No less than 100 fishermen need immediate assistance first year. Ninety five per cent of small Indian fishing boats in state of ill repair and not suitable for required mobility of today's operations. Detailed letter at later date on above.
>
> Guy R. Williams

This is an indication of the concern that fishermen have on the west coast. They ask themselves this simple question: Aren't we Canadians too? Why can fishermen on the Atlantic coast, in the maritime provinces and in the province of Quebec, qualify for the 25 per cent or 30 per cent subsidy for the building of fishing boats, when we are excluded from that? This is a very serious question that concerns the people in B.C. For many years there has appeared to be an orientation of the federal government toward the east, toward in some respects—

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

Mr. Howard: Very happily.

Mr. Nicholson: Have the fishermen on the west coast made serious attempts to take the benefit of the subsidies that go into the

building of these ships? I hope the hon. member can enlighten me on that because I have tried to get that information over the last 18 months.

Mr. Howard: The minister has not exhausted himself if he tried for 18 months and has not been successful. Undoubtedly he was one of those who, on June 11 of this year, participated in passing the order in council with respect to the fishing vessel assistance regulations which sets out that these regulations apply only to the province of Nova Scotia through the fishermen's loan board, to the province of New Brunswick through the fishermen's loan board, to the province of Prince Edward Island through the fishermen's loan board, to the province of Newfoundland through the fishermen's loan board, and to the province of Quebec through the minister of industry and commerce.

Mr. Nicholson: Would the hon. member answer my question? What representations have been made by the fishermen on the west coast? Plenty have been made on the east coast, but what representations have been made by the west coast fishermen?

Mr. Howard: Perhaps I may tell my hon. friend this is due to the failure—which I think is a ruddy shame—of his own party, which I understood was to treat Canadians as equals. It may be due to the failure of members of his own party. Not one single member of the Liberal party from B.C. has participated in the discussion so far today or yesterday, on the estimates of the Department of Fisheries. This is a shameful thing.

What sort of representations have been made by them? Isn't the minister himself a member from B.C.? Doesn't he know himself about these things? Where was he when the cabinet passed this discriminatory order in council that discriminates against B.C. fishermen? Was the Postmaster General in on that cabinet meeting? Why didn't he speak up and say something?

What about the parliamentary secretary to the Prime Minister? What about the Minister of Northern Affairs and National Resources, a home born British Columbian? Isn't he interested in the fishermen of B.C.? Did he not have the intestinal fortitude to speak up and object to this discriminatory order in council when it was passed by the cabinet on June 11 this year?

Perhaps if the Postmaster General searched his own party and his own concern for the welfare of the fishermen at home he would find the answer, rather than standing up and exhibiting his ignorance, asking me questions about what representations have been made. Here is a telegram that was sent by Guy Williams, president of the native brotherhood of B.C., making reference to this matter and asking for something to be done. What has happened since then? Is anything to be done? Are these people at home to continue to be looked upon as second class citizens, unworthy of equal treatment by this department? This is a very serious question, and perhaps the minister would like to answer me.

Mr. Robichaud: So far as expenditures are concerned I realize the hon. member has brought to light some programs provided for the Atlantic coast, but I would like to refer briefly to the Nanaimo station where the research board is spending close to $2 million, to the $210,000 we are spending on the international Pacific halibut commission, to the $295,000 we are spending on the international Pacific salmon fisheries commission. These are only some of our expenditures on the west coast.

So far at the telegram which the hon. member read is concerned, it was only brought to my attention this morning through correspondence with my colleague, the Minister of Citizenship and Immigration. I understand the telegram was supposed to have been sent to me, but we have no record of its having been received at my office, and following a letter I received from the Minister of Citizenship and Immigration I asked him to send me a copy of that telegram which, as I say, was brought to my attention this morning.

Mr. Howard: What are you going to do about it?

Mr. Robichaud: I am sure, Mr. Chairman, you do not expect me to take a decision within 24 hours. We are certainly going to study the problem, find out what the situation is and find out what can be done.

Mr. Howard: It is correct, as shown in the main estimates, that $1,885,000 is to be spent on the biological research station at Nanaimo, $323,000 on the technological research station in Vancouver and $204,000 on the oceanographic group in Nanaimo, making a total of about $2,300,000 or $2,400,000 expenditure on the Pacific coast by the fisheries research board, but the minister has failed to mention that the total amount to be spent by the research board is over $6 million, the bulk of which goes to the Atlantic coast.

Mr. Robichaud: And the prairie provinces, and also an additional $250,000 to the Vancouver aquarium.

Item agreed to.

Fisheries management and development—

5. Operation and maintenance including Canada's share of the expenses of the international commissions detailed in the estimates and of the costs of programs and projects shared jointly with the provinces and industry, $12,949,100.

Mr. Danforth: I have listened to the discussion with a great deal of interest and I can assure the minister after listening to the last speaker and the argument he raised about whether or not more money is spent on the east coast fisheries than the west coast fisheries that we in Ontario in the inland fisheries would be tickled to death to accept either one as our allocation in the matter of fisheries.

Mr. Howard: You should get the Postmaster General to argue for you.

Mr. Danforth: I would bring to the minister's attention the fact that I do not wish to deal in detail with the troubles of management and research into the fishing industry in the great lakes because I am sure the minister and his department are quite familiar with the main problem which has been brought out, namely the matter of pollution in the lakes. Underneath the surface of lake Erie there is a mass of insoluble sludge and slime, no one knows exactly how many feet deep, coming down the Detroit river and rolling out over the bottom of lake Erie, and when the fishermen on the lake drop their nets they become covered with this slime. This makes fishing a terrible job and is causing many fish to die. The lake is becoming a terrible place to fish. It has become so contaminated that bathing beaches are being closed down. They are talking of it as the dead lake and people are asking me whether I realize that lake Erie has now become a dead lake. The boats which go out on the lake and return to shore are covered with an inch or so of this slime all over their bottoms and keels. The condition is getting worse and the fishermen there want to know whether anything can be done, and if anything is being done now.

Commercial fishing in lake Erie is now confined to two main species, smelt and perch. Only a few years ago hundreds of thousands of pounds of other varieties were taken out of the lake. It seems sad that those who fish on lake Erie are within reach of a 24-hour refrigerated truck service which can supply perhaps 30 million people in Canada and the United States with fish. We have a market for the products of the lakes, which have found a ready favour in both the United States and Canada; but now we are faced with a depletion of the fish in the lake. We have an entire industry geared for production, and we now find the fishermen in most parts running into dire economic straits, abandoning their ships in many instances and looking for other types of work. This is a sorry situation, and these men are asking that something be done right away. They are not concerned with who is responsible, but what they are concerned with is what steps are being taken, when they will be taken, and how effective they will be.

The minister spoke about federal-provincial committees. The fishermen in the area are sick and tired of approaching over the years provincial governments and federal governments, going back and forth seeking an answer to their problems. They have always received sympathetic consideration and have always felt that the officials they approached have seriously tried to do something about their problems. But somewhere there seems to be a breakdown in communications between the federal and provincial governments, which has meant that the fishermen did not receive the consideration which they felt was necessary. I would ask the minister whether it is his opinion that this federal-provincial committee will now provide the necessary pipe line to enable these fishermen to get the immediate help they so desperately need.

I was interested in the remarks of the hon. member for Skeena because our problem is exactly the same as his. We in Ontario want to know why our fishermen cannot get the same sort of insurance on their boats, and the shipbuilding subsidies, which the fishermen in the other five provinces receive. Our fishermen build boats which vary in length from 55 feet to 65 feet and are valued at anywhere from $30,000 to $90,000 each. But they need help with new boats, nets and supplies and they are anxious to know whether any money will be made available to them. Will there be any new legislation so that these fishermen can insure their boats to the degree necessary under the conditions they fish today? Are they going to get the necessary money to provide new equipment and new boats? Is this going to be provided, now that we have a new federal-provincial committee?

Another matter I wish to mention is one which I am sure the minister is well aware of; it has been brought to his attention on various occasions and representations have been made to him. It is the formation of a co-operative for the fishermen on lake Erie. The fishermen on lake Erie are not only faced with the fact that the fish in the lake are being depleted, but also the price of the fish varies from 1½ cents a pound to 18 to 20 cents a pound, depending on the amount of fish on the market at the time. I am sure the minister is aware that one matter which is standing in the way of the formation of a co-operative is the legislation block, which has been brought to his attention. The fishermen have approached the province on the matter and at this point I should like to quote from a letter sent to me by these fishermen. They say, in part:

> Accordingly the farm products marketing board of Ontario is of the opinion that the proposed lake Erie fish marketing plan would be of little value until the necessary federal legislation is enacted and is withholding any further action on the request of this association—

I am sure that this was brought to the attention of the minister, and his answer to them on July 27—and I do wish to thank him for the courtesy of his consideration and his proper reply—he pointed out that a new committee was being set up to study this entire program, and that a local member of the association was secretary of the new committee.

According to a newspaper article dated July 20, in Winnipeg the federal-provincial study committee recommended the establishment of a prairie fish exports marketing board, and I am wondering whether there would be the same value in an Ontario board. This newspaper went on to say that the three major fish buyers in Chicago and Detroit could set the price which will be paid for Canadian fish in the United States. I hope that this is why a co-operative is being established—to combat the setting of prices in the United States rather than to further the setting of prices.

They are the problems which I bring to the attention of the minister and I hope he will have the answers that these fishermen need. It is purely a question of economics. The fish seem no longer to be in the lake. What is being done at the London research centre and at other local research centres to see why these fish are being depleted, and what can be done to put them back? What is being done to enact the right legislation in order to make it possible for these fishermen to form a co-operative if they so desire? What is being done to put our fishermen on the same basis as the fishermen on the east coast, and even those on the west coast, who have more money, subsidies and legislation to enable them to further their business? As I am sure the minister and his departmental officials are well aware, it is simply a matter of pure economics. If the fishermen can make more money they can stay in business. If they cannot make more money the industry is going to fail. Surely we in Ontario especially cannot afford to let this multi-million dollar industry fail without making desperate efforts at the federal level to try to see if it cannot be established on a paying basis.

Mr. Barnett: Mr. Chairman, I should like you to tell me which vote we are on at the moment?

The Chairman: Vote No. 5. Shall the vote carry?

Some hon. Members: Carried.

Mr. Barnett: Mr. Chairman, there are one or two questions I want to ask the minister on vote No. 5. As the minister is probably quite well aware, the Shell Oil Company has been conducting certain explorations off the west coast of Vancouver island, operating from a base at Ucluelet. In the course of their oil explorations they have been carrying out certain tests which involve the use of explosives, in underwater explosions. A great deal of concern has been expressed from time to time as to the effect of these explosions on the fish population in that area.

I understand that the matter has been under observation by the Department of Fisheries and I wonder whether the minister has available and could give to the committee for the record the fisheries department's knowledge in this regard and just what has happened in respect to the destruction of the fish population.

Mr. Robichaud: Mr. Chairman, this operation by the Shell Oil Company on Vancouver island is under close observation of the officials of the department. If at any time we find it affects the fish population, we are prepared to order that the operation stop until we can study the matter further.

Mr. Barnett: Has the department available a detailed report on this matter? I noted in the recent publication of the fisheries association of B.C. certain statistics which they say come from the Department of Fisheries; it was some report of the Department of

Fisheries. I must say that I have not seen that report issued by the department. I was wondering whether the minister has it available and can put these statistics on the record; or if not, can he indicate how that information is officially available from the department?

Mr. Robichaud: Mr. Chairman, we have no official report to give. We can certainly prepare a statement to that effect and make it available to the hon. member, and I will do this.

Mr. MacLean (Queens): Mr. Chairman, there are two or three questions that I want to ask the minister—I will try to be brief—regarding the new regulations which he spoke of with regard to seals. I think he said he had discussed the matter with representatives of the S.P.C.A. I believe he has been written to by the Audubon society also, and I presume he has discussed this matter with them. They have expressed keen interest in this matter, and I would like to be assured that these representations are being considered.

Under this item, Mr. Chairman, I would refer to the latest figures we have for revenue from the north Pacific fur seal treaty. These are for the fiscal year 1962-63, which show a revenue of almost half a million dollars. I wonder whether the minister could conveniently give us the revenue, either gross or net, for the last fiscal year, 1964, if that figure is available. Also, is the minister in a position to make a brief statement about the conclusion to which his department has come with regard to the effect that the Mactaquac dam may have on salmon migration in the Saint John river, especially with regard to the effect this dam would be expected to have on the Tobique run, and all the runs that migrate above that location on the Saint John river.

Mr. Robichaud: Mr. Chairman, I would reply briefly to the questions asked by the hon. member. In so far as our contacts with the S.P.C.A. and the Audubon society are concerned, I cannot confirm at this time whether we have had representations from the Audubon society. I believe we have. We will certainly make an effort to contact them and make them aware of the amendments we have in mind.

The return on investments for seals amounted to $466,989, and the proceeds from the sales were $176,758. In so far as the Mactaquac is concerned, we have made a thorough survey of the project and have come to complete agreement with the province of New Brunswick to build in this connection probably one of the most modern and efficient hatcheries in the world. We are combining the knowledge of our scientists and the knowledge of the Swedish scientists in this regard. We can give the assurance that when this project is being proceeded with the salmon population of the Saint John river will be fully protected; in fact, we intend to have enough production from this hatchery to supply not only the Saint John river but other rivers in New Brunswick.

Mr. Danforth: Mr. Chairman, I wonder whether the minister could supply some answers to the questions I posed a few minutes ago?

Mr. Robichaud: Yes, Mr. Chairman, I can reply briefly to the points raised by the hon. member. So far as pollution of the lake Erie area is concerned, we are well aware of the situation. It is a very complex problem which affects not only the provincial government and the municipalities but all the industries along the lake shore area. It is also an international problem. The hon. member mentioned the federal-provincial committee, which is studying this matter further. We are also looking into the matter of the co-op marketing plan, which requires legislation as the hon. member says; but it requires provincial legislation. We are now in the course of discussions with the provincial authorities in order to determine what can be done in this sphere, not only for that particular co-op but for a marketing board in regard to the whole production of the inland fisheries.

Mr. Howard: Mr. Chairman, I have just one question on vote No. 5. There is an item on page 148 which refers to community fishing stages, in the amount of $25,000, compared with $50,000 in the previous fiscal year. I wonder whether the minister could tell us what this item is for. What are community fishing stages, and what is the explanation in regard to the decrease?

Mr. Robichaud: Community stages are being built, principally in Newfoundland; in the outposts of that province, in very small areas where there are no facilities, no fishing company to buy the fish and where the fishermen have to process their own fish. We are providing for them what we call a community shed, in which they can store their salted fish until the buyer calls in the fall for their production.

Item agreed to.

15. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $1,050,000.

Mr. O'Keefe: Mr. Chairman, I have no intention of delaying these estimates, but I am anxious under vote 15 to congratulate the provincial government of Newfoundland upon its initiative, its imaginative initiative I might say, in instituting the new fisheries college. This is obviously a very forward looking effort on the part of the provincial government and its beneficial effects will be felt far outside the province of Newfoundland; indeed they will be felt in all Canada.

I would urge the federal government and the Minister of Fisheries to give earnest consideration to assisting this fisheries college in every possible manner. May I also support the hon. members who have spoken, especially those from my own province, and suggested that we spend more money on conservation and research. In that respect I am very happy that the minister said this afternoon that over $1 million more will be spent this year than was spent last year on research. I do not need to urge the minister to remember the fisheries college; I know he needs reminding only that this is a very worth-while effort, which not only deserves but demands, even commands, our enthusiastic support.

I cannot help at this moment suggesting to the hon. member for Skeena that when he is compiling his statistics on the fishermen of Newfoundland, whom he seems to feel are very well taken care of as compared with the fishermen of British Columbia, he should look up the average wage. He will find it is something like $800 in Newfoundland, *v.* $4,000 in British Columbia.

Mr. Howard: Mr. Chairman, this is what I was hoping would not happen, that any member from a constituency of one of the Atlantic provinces would think I was picking on him or the Atlantic fishermen. I had no intention of doing that. I was just pointing out the disparity that exists in respect of federal government assistance on the Atlantic and Pacific coasts. The hon. member has talked about an average income of a fisherman on the Pacific coast in the amount of $4,000. I wish he would come out and tell some of the gill-net fishermen that their average is $4,000. I am sure he would get wet as a result of being thrown in the ocean.

Item agreed to.

[Mr. Robichaud.]

Fisheries research board of Canada—

20. Administration, operation and maintenance including an amount of $75,000 for grants for fisheries research and for scholarships and authority to make recoverable advances of amounts not exceeding in the aggregate the amount of the share of the international great lakes fishery commission of the cost of work on lamprey control and lamprey research, $5,865,000.

Mr. Barnett: Mr. Chairman, if my understanding is correct this item has to do with the granting of money for the operation of the fisheries research board of Canada, and in view of the value of the work done by that board and the appreciation expressed by those of us who have knowledge and experience in this field I certainly think it would be a mistake to pass this item without comment. As far as I am concerned, I think a discussion in depth and in detail in relation to the operations of this board should be referred to the committee on marine and fisheries, as was suggested earlier. I certainly hope that in light of an earlier statement by the minister in relation to next year's estimates, that this is one of the matters we will have an opportunity to examine and discuss in that committee next year.

Mr. Robichaud: That is an undertaking, Mr. Chairman.

Mr. Howard: Mr. Chairman, I do not intend to raise anything objectionable at this time, and I am not asking you to see the time, but it is now 10.05 and if we are to proceed past the normal hour of adjournment we should do so by unanimous consent, rather than as a result of inadvertence or blindness on the part of anyone.

Mr. MacNaught: Mr. Chairman, I think it is the desire of all hon. members to sit a little longer in an attempt to carry the estimates of this department. We have been discussing them for two days now and have given them full consideration. I think we can complete our consideration of these estimates in a very short time.

Item agreed to.

The Chairman: That completes the estimates of the Department of Fisheries.

Progress reported.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting house leader whether he would list for the record the estimates to be considered tomorrow, and give a forecast of the work for next week.

Mr. MacNaught: Mr. Speaker, tomorrow we will commence with a consideration of the estimates of the Department of Citizenship and Immigration, followed by the estimates of the Department of Public Works and the estimates of the Department of Forestry. On Monday we will resume the debate on the motion of the Minister of Agriculture (Mr. Hays) for the second reading of Bill C-121, an act to provide for the extension of credit to farm machinery syndicates.

It being six minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF FISHERIES

1. Departmental administration, including grants and contributions as detailed in the estimates, $1,159,000.

1a. Departmental administration, $55,000.

Fisheries management and development—

5. Operation and maintenance including Canada's share of the expenses of the international commissions detailed in the estimates and of the costs of programs and projects shared jointly with the provinces and industry, $12,949,100.

5a. Operation and maintenance including Canada's share of the expenses of the international commissions detailed in the estimates and of the costs of programs and projects shared jointly with the provinces and industry, $913,000.

10. Construction or acquisition of buildings, works, land and equipment, $1,737,900.

10a. Construction or acquisition of buildings, works, land, and equipment—to extend the purposes of vote 10 of the main estimates for 1964-65 to provide for the acquisition of land for the international Pacific salmon fisheries commission, as required by article VIII of the convention (chap. 11, statutes of 1957), $1.

15. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details and estimates, $1,050,000.

15a. Grants, contributions and subsidies in the amounts and subject to the terms specified in the sub-vote titles listed in the details of estimates, $400,000.

Fisheries research board of Canada—

20. Administration, operation and maintenance including an amount of $75,000 for grants for fisheries research and for scholarships and authority to make recoverable advances of amounts not exceeding in the aggregate the amount of the share of the international great lakes fishery commission of the cost of work on lamprey control and lamprey research, $5,865,000.

20a. Administration, operation and maintenance, $220,000.

25. Construction or acquisition of buildings, works, land and equipment, $1,693,000.

HOUSE OF COMMONS

Friday, September 25, 1964

The house met at 11 a.m.

PRIVILEGE

MR. BOUTIN—FAILURE TO FLY QUEBEC FLAG AT ROYAL 22ND REGIMENT CEREMONY

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, my question of privilege is based on an article published in the September 24 issue of the newspaper *Le Droit* and entitled:

VanDoos allegedly refused permission to fly fleur-de-lis.

Presumably, the incident occurred during the ceremonies which took place on parliament hill Wednesday morning, to commemorate the 50th anniversary of this army unit. According to the press report, the Minister of National Defence (Mr. Hellyer) would have refused to let fleur-de-lis flags—the fleur-de-lis is the flag of the province of Quebec—be raised between the red ensigns placed around the national war memorial.

If such is the case, Mr. Speaker, I want to protest strongly against that insult and that outrage committed against the members of the Royal 22nd, a regiment almost entirely made up of French Canadians from the province of Quebec, in refusing them permission to fly the flag of their province during those ceremonies.

The Royal 22nd regiment is not the sole victim of that insult. The whole population of Quebec was insulted on that day.

Men of the VanDoos always conducted themselves as heroes in the various conflicts in which they took part. The valour, bravery and heroism of those French Canadians were reflected not only on the province of Quebec, but on Canada as a whole.

Again, today, it is the Royal 22nd which is entrusted with the peace keeping operations in Cyprus.

Everywhere and at all times the Royal 22nd has been a credit to Canada. It has produced thousands of heroes. It deserves better from the Canadian government than the insult to which it was subjected by the Department of National Defence last Wednesday.

Mr. Speaker, that was also an insult to French Canadians from Quebec and the other provinces. If my compatriots keep on being flouted as they were last Wednesday, the Quebec separatist movements will be justified up to a certain point.

Consequently, I would like the Minister of National Defence or, in his absence, the Prime Minister (Mr. Pearson) to explain or justify the refusal to fly the fleur-de-lis beside the red ensign during the ceremony commemorating the 50th anniversary of the foundation of the Royal 22nd, and to present apologies to that unit.

[*Text*]

Mr. Speaker: Order, please. I have to decide whether there is a question of privilege. This is an action which was taken outside the house. It does not affect the honour of the house nor the honour of the members of the house, and is more in the nature of a grievance. I regret that I see no question of privilege at all.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, my question is directed to the Minister of National Defence.

Would the minister have an explanation to justify the refusal to fly the fleur-de-lis together with the red ensign at the ceremonies marking the 50th anniversary of the Royal 22nd regiment?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, if the hon. gentleman is referring to the newspaper report I saw yesterday, it was not within my responsibility.

[*Translation*]

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

Following the question of privilege raised this morning by the hon. member for Dorchester, the Minister of National Defence

stated his department is not responsible for that decision. Would the Prime Minister make an inquiry in order to find out who took that decision which prevented the Royal 22nd from hoisting the fleur-de-lis flag, and report to the house in due course?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I will look into the matter, but of course the normal procedure that is followed in these ceremonies will be followed as it has been in the past on similar occasions.

[*Later:*]

[*Translation*]

Mr. Boutin: Mr. Speaker, I want to direct a question to the Secretary of State.

As the Prime Minister stated that my question of privilege this morning concerned the protocol division, for which the hon. Secretary of State is responsible to the house, could the latter answer the question of privilege I raised this morning, as well as the question asked by the hon. member for Shefford (Mr. Rondeau) with regard to the Royal 22nd regiment being refused permission to fly the fleur-de-lis flag during the ceremonies commemorating its 50th anniversary?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, a short while ago the Prime Minister promised to study the question and, if possible, to give an answer next week. As far as I am concerned, I have nothing to add.

[*Later:*]

Mr. Boutin: Mr. Speaker, I have a supplementary question.

Would the Secretary of State tell us whether or not this matter is a responsibility of his department?

Mr. Lamontagne: Mr. Speaker, although I am not quite sure, I am under the impression that this matter is a responsibility of the Department of Public Works.

Mr. Boutin: Mr. Speaker, I wish to direct a question to the Minister of Public Works.

Can he give us explanations with respect to the question of privilege I raised this morning?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I will answer that question early next week, and the facts I shall establish will defeat the allegations the hon. member for Dorchester made this morning, because the members of the Royal 22nd were given a warm welcome.

[Mr. Rondeau.]

The hon. member can be assured that I will supply information which will clarify the point he raised this morning. He may be assured also, as well as all hon. members, that there was no discrimination whatsoever toward the Royal 22nd.

Mr. Boutin: A supplementary question, Mr. Speaker.

[*Text*]

Mr. Speaker: Order. This is becoming a debate.

AIR TRANSPORT

PUBLIC INQUIRY INTO CRASH OF T.C.A. PLANE

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I should like to advise the house that the Minister of Transport has decided that a public inquiry should be held into the tragic loss of the aircraft at Ste. Thérèse, Quebec, on November 29, 1963, and that I have ascertained that Associate Chief Justice Challies of the superior court of Montreal is willing to undertake this inquiry.

In view of the magnitude of the accident and the great loss of life, it was considered desirable by the government that the inquiry should be conducted by a judge of the superior court, and I am sure there will be general satisfaction that Mr. Justice Challies is willing to act. The board of inquiry will be formally established and its terms of reference announced next week.

CRIMINAL CODE

AMENDMENTS RESPECTING PUBLICATION OF JUDICIAL PROCEEDINGS

Mr. G. C. Lachance (Lafontaine) moved for leave to introduce Bill No. C-125, to amend the Criminal Code (restriction on publication of proceedings).

Some hon. Members: Explain.

[*Translation*]

Mr. Lachance: Mr. Speaker, this bill would prohibit, except in cases mentioned in section 151 of the Criminal Code or any other legislation, the printing or publication of the names, addresses, professions or occupations of all parties and witnesses in all legal proceedings.

[*Text*]

Motion agreed to and bill read the first time.

EXTERNAL AFFAIRS

SOUTH VIET NAM—WITHDRAWAL OF CANADA FROM CONTROL COMMISSION

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs. It is the intention of the government to withdraw from participation in the international control commission in South Viet Nam? I ask this question in view of various news reports in the press and on the radio this morning.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is not the intention of Canada to withdraw from the international control commissions in Viet Nam, in Cambodia or in Laos but, as I stated a number of weeks ago in the external affairs committee, we have noted the criticisms made of particular commissions, not of Canada's participation but of the commissions themselves. I stated then, and I repeat now, that Canada is not anxious to cling to this particular assignment. We have indicated to a number of countries that perhaps they would like to participate if this were acceptable to the 14 powers. It is not our intention to withdraw, but it is also not our intention to stay on against the wishes of those countries concerned.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Is it intended that Japan should take the place of Canada providing Japan receives the support of these 14 countries?

Mr. Martin (Essex East): The decision as to which countries should compose the commission is of course a matter to be decided by the Geneva accord powers. The view of the government is that Japan, a great Asian nation, should play an increasing role in the affairs of Asia. While we understand the reluctance of that country to participate in certain situations we hope, nevertheless, that an opportunity may be afforded to Japan to play an increasing part not only in the affairs in the area which immediately surrounds her but in Asia as a whole.

Mr. Diefenbaker: As part of that increasing role, does the minister contemplate Japan being a member of this commission?

Mr. Martin (Essex East): That would be a matter for the 14 powers, but Japan would certainly in our judgment be well qualified to play such a role.

Mr. Nesbitt: Was this matter discussed with Mr. Henry Cabot Lodge when he was here a couple of days ago?

Mr. Martin (Essex East): We had a general discussion with Mr. Cabot Lodge on a wide range of matters having to do with the situation in Indochina, and the hon. member may assume that this was one of the subjects discussed.

[*Later:*]

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs.

Could he tell the house whether discussions were held about the cruelty toward South Viet Nam Roman Catholics when Canada decided to grant a substantial assistance to that country under the Colombo plan?

Mr. Martin (Essex East): Mr. Speaker, I shall take the hon. member's question as notice and answer it next week.

[*Text*]

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): I wish to direct a question to the Secretary of State for External Affairs. In view of the failure of the secretary general of the United Nations to obtain approval for the firming up of the authority for United Nations peace keeping operations on Cyprus, and in view of the critical situation which has developed since to the extent that the Turkish armed forces have cancelled all leaves for this present week end, can the minister give us some further details about what has taken place and what we may expect in the next day or two at the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): I do not agree with the premise contained in the first part of the hon. gentleman's question. The security council is meeting this afternoon. It would seem now that it is not possible to have unanimity with regard to the kind of resolution some would like to see tabled in the security council today. It is thought that the particulars which were embodied in one of the draft resolutions being circulated informally would be such as to invite the exercise of a veto, and since this is not desirable it is more likely that the resolution finally to be placed before the council will be of a general character. But

it will be of a nature which, in the opinion of the Canadian government and of other interested powers, will not preclude the conditions which the secretary general himself laid down in the report he circulated to the council about ten days ago.

Mr. Thompson: In view of the fact that the secretary general indicated that he would go ahead even without the approval of the council; and since Cyprus, supported by the Soviet union, has indicated she will not be in agreement, does the secretary of state feel there is reason for the optimism he has expressed?

Mr. Martin (Essex East): I think there is reason for the course I have suggested but I cannot, naturally, foresee the exact results of this afternoon's meeting.

[*Later:*]

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a question for the Minister of National Defence. In view of the proposal to keep United Nations troops in Cyprus for another three months at least, can the minister advise if it is the intention of the government to rotate the Canadian troops there completely; that is, replace the VanDoos, the R.C.D.'s and other supporting troops?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as we have already announced, if the period is extended and if the Canadian contingent remain they will be rotated.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, could I ask a related question. What is the estimated cost of maintaining our forces in Cyprus? An estimate was given last March of $2,600,000 for the three month period. Does that estimate hold for the succeeding three month period?

Mr. Hellyer: In reply to that question, Mr. Speaker, may I say I believe we gave a monthly figure for maintaining the force there, and I think it would still be valid.

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, on September 22 last the hon. member for Mégantic (Mr. Langlois) asked the Prime Minister whether the government intended to form an agency to deal with eastern Canada feed grain.

He asked the same question again yesterday while I was in Montreal for the closing of the national week on forestry.

On June 24 the question of feed grain was referred to the standing committee on agriculture and colonization, and we are awaiting the report of this committee before taking a decision in that regard.

[*Text*]

HOGS—GRADING PRACTICES RELATED TO PREMIUM PAID

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have an important question for the Minister of Agriculture but in his absence perhaps the Minister of Forestry might take it as notice. Is there any truth in the criticism expressed at the meeting of the Ontario hog producers marketing board that the premiums paid for grade A hogs depend strictly on the amount of money allocated by the government for such premiums? In other words, if the allocated sum in the fund approaches depletion instructions then go out to the graders to cut down on their grading. Could the minister take some steps to correct this improper grading method?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I will take this question as notice on behalf of the Minister of Agriculture.

NATIONAL DEFENCE

NORAD—RETURN OF NUCLEAR WEAPONS ON TERMINATION OF AGREEMENT

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Prime Minister of Canada.

As it is now recognized by his government, and more particularly by the authorities of the Department of National Defence, that agreements concerning the defence of the North American continent will not be renewed on the same basis when they expire in 1967, and considering that nuclear warheads and rockets are mentioned in the agreements, is the Prime Minister in a position to state, since this whole defence program has now become obsolete, whether missiles and nuclear warheads will be returned to their previous owners when the agreement expires?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is far too large a question on defence policy to be dealt with on the orders of the day.

INQUIRY AS TO DISBANDMENT OF SOUTH SASKATCHEWAN REGIMENT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Further to my question to the minister two weeks ago respecting the possible disbandment of the South Saskatchewan regiment stationed at Estevan, Saskatchewan, can the minister now state that disbandment of the S.S.R. will not take place?

Hon. Paul Hellyer (Minister of National Defence): No, I am afraid I am not yet in a position to make an announcement in respect of the reorganization of the militia.

COLD LAKE, ALTA.—CONTRACT FOR AIRPORT HEATING SYSTEM

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I should like to reply to a question raised yesterday by the hon. member for Edmonton-Strathcona with regard to changes being made in the heating system at Cold Lake airport. The question was, if this is to be done, is the work being put out for tender? Strictly speaking, the answer is no. However, I should add that it is intended to convert the heating systems of some 850 permanent married quarters connected with the R.C.A.F. station at Cold Lake to natural gas with an estimated annual saving of some $150,000 for heating costs at that station. The gas is being supplied by the Cold Lake Pipeline Company, the only company in a position to do so in that area.

FISHERIES

REMISSION OF FINE AGAINST PORTUGUESE FLEET

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport, but in his absence may I direct it to the acting minister. In the September 16 issue of the Montreal *Gazette* the minister is quoted as stating that the $1,000 fine levied against the Portuguese fishing fleet when a man jumps ship will be remitted if such an offence takes place in the port of St. John's, Newfoundland. I should like to ask the minister on what basis he can make a concession of this type for the port of St. John's only, under what authority the fine is levied, and by what means is he able to provide the concession in question.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, in the absence of the minister, who is indisposed, I will bring this matter to his attention. I am sure he will be glad to do his best to answer this question on Monday or Tuesday.

CANADIAN CONFEDERATION

INQUIRY AS TO POSSIBLE REDUCTION IN NUMBER OF PROVINCES

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister.

I should like to ask him whether, in view of certain statements made by political personalities at the provincial level, he does not intend to set up a commission which could look into the possibility of reducing the number of existing provinces in the country?

[*Text*]

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

NORTHERN AFFAIRS

POSSIBLE EFFECT ON CANADIAN WILDLIFE OF U.S. DAM CONSTRUCTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. My question is based on information that has just come to me from the University of Michigan, to the effect that the university is undertaking a field study on the effect on United States wildlife of the building of the Rampart canyon dam, and that $25,000 was spent on the study this summer. In view of the fact that if this dam were built it would seriously affect Canadian interests, is any branch of the minister's department conducting a similar study?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to assure the hon. member that the Canadian wildlife branch of my department is thoroughly conversant, and has been for

many years, with the implications of the proposed dam in that area. We have done much more than make studies; we have made representations. I think some of the representations that have been made as a result of studies that have been carried out over a number of years have brought support from interest in the United States which otherwise would not have been forthcoming.

HAINES CUT-OFF—U.S. OFFER OF WINTER MAINTENANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for either the Minister of Public Works or the Minister of Northern Affairs and National Resources, since their responsibilities overlap in this regard. I understand that the government of the state of Alaska has made an offer to the Canadian government for the maintenance of the Haines cut-off during the forthcoming winter season. Has the government accepted that offer yet? If not, when does it intend to do so?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to advise the hon. member that our officials have been in the area and have made a report to us. I have had discussions with Governor Egan of Alaska and Mayor Lester of Prince Rupert. The matter is under active consideration, and we hope that some sort of decision will be taken within a week.

Mr. Nielsen: A supplementary question, Mr. Speaker. Is the minister aware of the time limit placed on the offer of the government of the state of Alaska, which indicates a great deal of urgency for action on the part of the government of Canada in order to provide economic maintenance?

Mr. Laing: Governor Egan of Alaska told me that both the efficiency and the cost would be favourably affected the earlier a decision was taken.

IMMIGRATION

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. J. N. Ormiston (Melville): Mr. Speaker, I wonder whether the Minister of Citizenship and Immigration has the answers to the questions which I posed to him a couple of days ago regarding the American strike directors who are in Toronto at the present time.

[Mr. Laing.]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I made an inquiry in this case and found that Mr. Robert Ameln and Mr. George Hogan, who were temporarily admitted into Canada, are continuing their activities in Toronto for the same purpose for which they were admitted. With regard to the few persons who came to Canada after that and who are working for the newspapers in Toronto, I am still waiting a complete report on the inquiry that is now in progress in Toronto.

Mr. Reid Scott (Danforth): A supplementary question on the same subject, Mr. Speaker. I wonder when the minister will be in a position to report on the inquiry I directed to him through his office respecting the alleged use of strikebreakers by the newspaper publishers.

Mr. Tremblay: Mr. Speaker, as I said a few minutes ago, I have asked the office in Toronto to give me a full report concerning the admission to Canada of people who are supposed to be strikebreakers.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question. So far as these two men are concerned to whom reference was made by the hon. member for Melville, the minister stated that they came into Canada as negotiators. They are described as strike directors in a leaflet put out in Toronto. If they are strike directors do they come within the provisions of our immigration laws, and are they welcome in our country? I ask this in view of the apparent acts of violence which have been taking place with increasing regularity in the last two or three weeks since they arrived as negotiators.

Mr. Tremblay: Mr. Speaker, concerning these two persons, Messrs. Hogan and Ameln, as far as I know they have taken no part in any violent activity in Toronto, but I am still awaiting a complete report on these two chaps and others who came to Canada since then.

Mr. Diefenbaker: Has the minister consulted the mounted police with regard to these activities? I am not speaking specifically of these two gentlemen, but generally.

Mr. Tremblay: No, Mr. Speaker, I received my report from the immigration office in Toronto.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, this is really a question of privilege. A moment ago I asked

the Minister of Citizenship and Immigration whether he had communicated with the Royal Canadian Mounted Police with reference to the acts of violence that are taking place in Toronto. That was an error on my part; I should have said the city police force of Toronto. Has there been any communication with them, particularly in view of the fact that these two men entered Canada as negotiators on the 24th of August and there has been no negotiation since that date?

[*Translation*]

Mr. Tremblay: Mr. Speaker, the information I have received concerning Mr. Hogan and Mr. Ameln's activities came from the immigration office in Toronto. What I do not know is to what extent the immigration officers might have got in touch with the Toronto police force.

I shall be glad to ask my people in Toronto from what police force they received their information during the investigation.

[*Text*]

EDUCATION

STUDENT LOANS—REPAYMENT BY MEDICAL STUDENTS DURING INTERNSHIP

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Finance regarding medical students using the student loan fund. Will the minister say whether repayment under the act will be required while the student is serving his internship and, if so, will the minister reconsider this aspect of the legislation?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, under the act the loans are repayable commencing six months after completion of the educational course. In this particular case they would be repayable during the period of internship. I would be very glad to consider this question, and if there is a good case for some change we will consider it when the act next comes up for review.

UNITED NATIONS

PROSPECTIVE OTTAWA MEETING ON STAND-BY UNITS FOR PEACE FORCE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Would the secretary of state tell the house what developments have taken place in respect to the proposed conference which is to be called by Canada of nations which might be willing to contribute to permanent stand-by forces for international peace keeping?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman was kind enough to give me notice of his intention to ask this question. We hope this meeting on peace will be held in Ottawa during the week of November 2. Several governments have already informally indicated their desire and intention to participate. We are now awaiting the reaction of other governments.

Mr. Brewin: A supplementary question. I wonder whether the secretary of state could tell the house if the proposals contained in the memorandum of the U.S.S.R. regarding measures to strengthen peace keeping activities of the United Nations are being followed up in any way by this government, and about which the minister can tell us?

Mr. Martin (Essex East): Yes, Mr. Speaker, they are.

REPRESENTATIONS BY U.S. RESPECTING COMMUNIST CHINA

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to ask the Secretary of State of External Affairs. Is it a fact, as reported yesterday in the Ottawa *Journal*, that the United States, through Mr. Cabot Lodge, has strongly advised or cautioned Canada against recognizing mainland China or supporting her admission to the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there was no discussion of that subject.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): A supplementary question, Mr. Speaker. Is there any foundation for radio or television reports to the effect that as recognition of China is a matter that should take into consideration the feelings of our allies, recognition is to take place after the month of November and early in 1965?

Mr. Martin (Essex East): Mr. Speaker, I know of no grounds for suggesting that this will take place early in 1965. No one can say definitely when a decision on this matter will be finally reached.

Inquiries of the Ministry

DOMINION-PROVINCIAL RELATIONS

CONFERENCE TO ESTABLISH ECONOMIC PRIORITIES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I should like to direct a question to the Minister of Forestry. When he suggested in Montreal this week that there must be much greater co-operation between the federal government and the provinces in planning priorities in the economic and social fields, was he indicating support of Premier Roblin's suggestion that a federal-provincial conference should be convened immediately to plan priorities in the economic and social fields, and has he made these views known to the Prime Minister?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, my speech was distributed to all members of the house, and if my hon. friend would read those parts of my speech found on pages 4, 14, 20, 21 and 24 he will see there is no relation between the request of Premier Roblin and what I had to say about economic planning in Canada.

TRANSPORTATION

LACK OF RAILWAY PASSENGER ACCOMMODATION, MONTREAL-VANCOUVER

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address an urgent question concerning the lack of passenger accommodation on the railway trains between Montreal and Vancouver. I am sorry the Minister of Transport is not here, but perhaps the Prime Minister would care to comment on it or direct it to the attention of the minister. It has been almost impossible to get reservations on the C.P.R. trains during the past several weeks, and just a few days ago they removed all sleeping car accommodation from two of the trains they are operating. Would the Prime Minister bring this matter to the attention of the Canadian Pacific Railway and request them to provide at least sufficient service to meet the demand?

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

Mr. D. V. Pugh (Okanagan Boundary): A supplementary question, Mr. Speaker. When the Prime Minister is taking up this matter would he also look into the difficulty in obtaining accommodation experienced by railway union members as against fare paying passengers? I understand it is very difficult for employees of the railway to get accommodation on the trains. Would the Prime Minister also inquire into this matter?

Mr. Pearson: Yes, I will do that also.

CANADIAN CONSTITUTION

REQUEST FOR OPPORTUNITY TO EXPRESS VIEWS ON AMENDMENT METHODS

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to direct a question to the Minister of Justice in his capacity as house leader. Will the minister be arranging for his estimates to come before the house prior to the conference of attorneys general next Thursday so that members of the house may express their views on methods of amending the constitution?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I did say I would try to have my estimates entered. They are automatically entered now, and I shall try to arrange to bring them before the house for this purpose if at all possible.

Mr. Scott: A supplementary question, Mr. Speaker. In view of the words "if at all possible" in the minister's answer, in the event it does not prove to be possible will the minister assure the house that some other opportunity will be given the House of Commons to express its views on this subject prior to the conference?

Mr. Favreau: Mr. Speaker, we shall try to arrange some kind of system to allow members of the house at least to express their views on the matter.

ADMINISTRATION OF JUSTICE

DORCHESTER PENITENTIARY—REQUEST FOR STATEMENT ON STABBING OF GUARD

On the orders of the day:

Mr. Robert C. Coates (Cumberland): I should like to direct a question to the Minister of Justice. Is the minister in a position to provide the house with information relative to the fatal stabbing of a guard at Dorchester penitentiary? And may I ask if this unfortunate incident is associated with overcrowding at that institution?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the immediate answer to the second part of the question with respect to overcrowding is no. I am not in a position to disclose all the circumstances connected

with this matter at the moment, because I have not been able to ascertain whether a charge has been laid and whether the matter is before a court. I shall be in a position on Monday to relay to the house whatever information I can get.

MEETING WITH MINISTER TO DISCUSS PENAL REFORM

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I have a question for the Minister of Justice. I should like to ask him whether he has received a request from the Canadian correction association and associated organizations for a meeting with the hon. gentleman at which they can express their doubts about some of the policies which the department has announced. If such a request has been received, can the minister tell us whether a meeting has been arranged?

Hon. Guy Favreau (Minister of Justice): I am not sure whether I have received such a request. Either it has not been brought to my attention or I cannot recall the precise request to which the hon. member refers. However, it is my clear and firm intention, and I have so stated, that the officers of the Canadian correction association, like those of other bodies interested in penal reform, shall be consulted regularly about these problems in which they are so deeply interested.

CANADIAN CITIZENSHIP

REFUSAL OF CERTIFICATES TO PROFESSED ATHEISTS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): I have a question for the Minister of Citizenship and Immigration. Does the minister propose to permit a special appeal in the case of Mr. and Mrs. Ernest Bergsma and to grant a certificate of citizenship to them, or does the minister contemplate that the Bergsmas should themselves take action to question the decision of the judge?

Hon. René Tremblay (Minister of Citizenship and Immigration): My estimates will be coming up after the orders of the day, and this is such a large subject I suggest to the hon. member that there will be an opportunity for the Minister of Justice and me to have a full discussion of the subject at that time.

Inquiries of the Ministry

LABOUR CONDITIONS

REQUEST FOR ANNOUNCEMENT OF DESIGNATED AREAS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I ask the Minister of Industry a question?

Is the minister now in a position to tell us when he will announce the designated areas for the coming year, and what standards will be used this year to designate these areas?

[*Text*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, this question really is comprised of two parts. In respect of the first part, I think all hon. members will be aware that annually a review of the employment statistics in each of the n.e.s. areas is carried out. As a consequence of this review one can expect that some areas hitherto designated will cease, by reason of the improvement in their economic conditions, to be designated. It may happen also that some n.e.s. areas not now designated, as a consequence of deterioration in their conditions during the year, will come to be designated. This review is currently in progress, and since it covers the statistics for the summer months we hope that in the not too distant future we will be able to make an announcement as to which areas will be designated or will cease to be designated in the forthcoming year.

I am in a position to say that because of the substantial improvement in economic conditions in Canada during the past year, preliminary indications are that this program will have been successful in leading to the removal from the designated area list of certain presently designated n.e.s. areas. I am happy to be able to announce this, to indicate the success of the program and more particularly the general advance made by the Canadian economy during the year.

I should perhaps take this occasion to remind hon. members that this year an amendment was made to the act in respect of areas which may be removed from the designated list, to provide that enterprises which are now contemplating establishing in designated areas may, if prior to dedesignation they have filed with the area development agency a notice of intention to establish commercial production and if they proceed with reasonable dispatch to establish such a

new enterprise, receive the same advantages as if the area had not been dedesignated. It is therefore incumbent on those who are looking at the possibilities of establishing in designated areas to make up their minds and take action in the matter.

In so far as the hon. member's question relates to an alteration in the objects of the program, as I have said on a number of occasions this is a large subject and we are addressing ourselves to it. I would hesitate to set a date for the termination of this review.

PUBLIC SERVICE

REQUEST FOR REVIEW OF NORTHERN ALLOWANCE PAYMENTS

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Minister of Finance. In view of a recent treasury board ruling which drastically reduces, and in some cases cancels, northern allowance payments to civil servants in some federal departments while in other federal departments in the same areas no reductions have been made in these payments, will the minister consider a review of this entire situation?

Hon. Walter L. Gordon (Minister of Finance): I will be glad to refer this question to the President of the Privy Council. I am sure he will deal with it at the beginning of the week.

HOUSING

CONFERENCES WITH PROVINCES AND MUNICIPALITIES ON AMENDMENTS TO ACT

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to direct a question to the Postmaster General. Can the minister tell the house when a further meeting will be held with provincial and municipal authorities with regard to the implementation of the amendments to the National Housing Act; and if these meetings are held will members of this house in the regions affected be invited to be present?

Hon. J. R. Nicholson (Postmaster General): I am glad to be able to inform the hon. member and the house that the second of these conferences will be held in St. John's Newfoundland, on October 9 and 10. The two provincial ministers in the province of Ontario, the minister responsible for public housing and the one responsible for the field of urban renewal, Hon. Mr. Spooner, are coming to Ottawa with Mr. Soble, head of the Ontario housing association, for discussions here on October 6. At that time I hope we will be able to fix a date for a meeting in the Toronto area or perhaps two meetings, one in Toronto and one in Hamilton, to which interested members of this house will be invited as they have been in Halifax and in St. John's.

MINES AND TECHNICAL SURVEYS

WINTER BERTHING OF HYDROGRAPHIC SHIP "ACADIA"

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): I should like to direct a question to the Minister of Mines and Technical Surveys. Has the minister received a communication from the board of trade of Pictou, Nova Scotia, regarding the berthing of the Canadian hydrographic ship *Acadia* in that port during the coming winter? If so, has he made a decision on this important matter?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): I have not yet received a communication this season. I did hear from them last year, but so far this year I have not seen anything cross my desk from the board of trade.

Mr. MacEwan: Will the minister check on that and advise me?

ROYAL VISIT

OMISSION IN PRESS RELEASE OF REFERENCE TO LEADER OF OPPOSITION

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Prime Minister, based on the press release of the special committee for the royal visit which was distributed to members yesterday. Having read the communiqué quite carefully I notice there is no reference made in any of the official functions to the leader of Her Majesty's loyal opposition. In view of the fact that the Leader of the Opposition is a member of the Queen's privy council and is an ex-prime minister of Canada I am wondering whether this, perhaps, oversight might be rectified?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the Leader of the Opposition will be treated on this visit exactly in the same way as members of the privy council and former prime minister were treated in

previous years on visits of Her Majesty to Canada.

Mr. Nielsen: Mr. Speaker, I would like to give notice that I wish to go into this matter further on Monday at 10 p.m.

INDUSTRY

AUTOMOBILE PARTS—DISCUSSIONS WITH U.S. RESPECTING CANADIAN INCENTIVE PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I want to ask a question of the Minister of Industry which is prompted by a telegram sent on behalf of thousands of automobile workers in Canada, relating to the government's incentive program for automotive parts. Has the government of Canada received representations from the government of the United States, or anyone on its behalf, with respect to changes in the government's automotive parts incentive program? If so, what was the nature of those representations, and what response was made by the government of Canada?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the government of the United States has, of course, drawn to the attention of the Canadian government the fact of the presentation of a petition by one of the motor car parts manufacturers in the United States to the United States government, urging the imposition of countervailing duties on Canadian automotive exports. The United States government has also indicated that this program has caused some concern in the United States, and to this end the Canadian government has been exploring possible ways of meeting this concern, at the same time pursuing vigorously the Canadian government's objectives of rationalization of the motor car industry in Canada and the expanding even further of the north-south trade directions in automotive parts.

Mr. Scott: In view of the fact that we all agree with the general objectives of the minister's department may I ask whether in these conversations or representations the United States representatives requested any changes in the present program and, if so, were any responses made?

Mr. Drury: Mr. Speaker, in the light of the petition presented to the commissioner of customs it is to be expected that the United States would suggest that the present arrangements are not entirely satisfactory. As I say, the Canadian government has been exploring possible alternatives which will have the result of achieving the same end objective, namely increased trade north and south in automotive parts between our two countries, in a way which will achieve that objective but which will not perhaps cause the same concern as the present method has caused.

Mr. Scott: As a final supplementary, in view of the general uncertainty in business and labour circles surrounding this whole program, does the minister feel he could consider this carefully over the week end and, at the beginning of next week, make a fairly comprehensive statement on the intentions of the government in this regard?

Mr. Drury: Mr. Speaker, I am not quite certain I would agree with the premise that there is great uncertainty. This program to date has been remarkably successful. The expansion in the first five months of this year of both exports of automotive parts from Canada and imports of automotive parts into Canada has been such as to lead to a substantial increase in activity on the Canadian side in the automotive parts industry. Therefore I am a little at a loss to understand why there should be uncertainty.

I can reassure the hon. gentleman that if there are to be any changes in this program they will be in the direction of making it even more expansive, and even more likely to achieve the objectives sought through the present arrangements.

Mr. Scott: Mr. Speaker, in view of the uncertainty I mentioned I would like to give notice to debate this matter at the earliest opportunity, some night at ten o'clock.

FINANCE

QUEBEC—INQUIRY AS TO ESTABLISHMENT OF MUNICIPAL BANK

On the orders of the day:

[*Translation*]

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

Does he intend to comply with the resolution passed at the 43rd annual convention of the municipalities union requesting the establishment of a municipal bank? Does his department intend to give serious consideration to that resolution?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not think I would

be expected to reply to a question of that kind on orders of the day.

CANADIAN BROADCASTING CORPORATION

ALLOCATION OF TIME TO SMALLER OPPOSITION PARTIES

On the orders of the day:

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, in answer to the request that has been made by certain hon. members for some broadcasting time on the C.B.C. I wish to announce that I have now been informed by the corporation that the C.B.C. is prepared to allocate a total of a half hour to the three smaller parties in the house. The C.B.C. is communicating with the representatives of the three parties in this respect.

PENSIONS

CANADA PLAN—INQUIRY AS TO INTRODUCTION OF RESOLUTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. When will the legislation respecting the latest version of the Canada pension plan be on the order paper?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Well, Mr. Speaker, I imagine the resolution will be on pretty soon.

Mr. Knowles: Mr. Speaker, may I direct a supplementary question to the Prime Minister. It relates to the undertaking given to the house by the Minister of Justice on July 6, when he said:

> —the government undertakes to obtain the completion of the legislative process with respect to the Canada pension plan before the end of the session.

Does this undertaking still stand?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, we still hope that will be done.

Mr. Knowles: Good.

SUPPLY

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

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Mr. Favreau: For the convenience of certain members and with the concurrence of the house leaders of all parties I would ask that item 10, that is immigration, be called first. Afterward we shall revert immediately to item 5, which is citizenship.

The Chairman: Is that agreeable to the committee?

Mr. Howard: Before it is agreed, I think the Minister of Justice would be well advised to indicate for whose convenience this change is being asked. I have just discussed this with my deskmate, the whip of our party, and he tells me he did not agree with this change; he just noted it.

Mr. Winch: I should like to ask why this notification is being given to us now when I, and I presume others, have guided ourselves by the previous announcement that the first item would be citizenship. I came prepared to speak on the estimates of the citizenship branch, though I also wish to speak on the subject of immigration. However, I do not have that particular file with me at the present time.

Mr. Favreau: I think it is within the normal authority of the government to call items in any desired order. I thought it would be more appropriate, though, to advise the house leaders of all the parties, and I believed this morning that I had secured their respective concurrence. Possibly I misread the note which came back to me from one quarter of the house.

The reason I am making this suggestion for a change in the order in which the departments are to be taken is that there is a meeting of cabinet of which I am chairman which is supposed to sit at twelve o'clock. I shall not be able to be present here until 2.30 p.m. I know that certain hon. members have expressed interest is discussing, for example, the question of oaths with respect to applications for citizenship, and I know the minister of immigration would like me to deal with certain questions with which I am concerned in the course of my duties as Minister of Justice.

Before twelve o'clock, one of the members of the official opposition who has now left the chamber asked me whether we could not call that item after 2.30, because he had to leave and would probably not be back before then. I may say, though, that it was not this suggestion which prompted the proposal for a change; my note to the house leaders was sent before that request was made. Perhaps I could correct myself in one particular; the hon. member to whom I have just referred

was not a member of the Conservative party but a member of the New Democratic party.

The Chairman: Is it agreed that we begin our discussion with item 10?

Mr. Howard: For my own sake, I think the government should in future consider proceeding on its own initiative.

Mr. Favreau: We are prepared to take responsibility for this and proceed on our own initiative, but it seemed to me courtesy required that I should ask the house leaders for concurrence.

Immigration—

10. Administration, operation and maintenance, including transoceanic and inland transportation and other assistance for immigrants and settlers subject to the approval of treasury board, including care en route and while awaiting employment; and payments to the provinces, pursuant to agreements entered into, with the approval of the governor in council, in respect of expenses incurred by the provinces for indigent immigrants and $10,000 for grants to immigrant welfare organizations, $13,552,200.

Mr. Orlikow: I am sorry that at this late date, when the government has been in office for as long as it has, the present administration has as yet given no indication that it is prepared to move fairly quickly toward a basic rewriting or amendment of the Immigration Act.

It is not my intention today to reiterate in great detail the inequities and difficulties which have arisen as a result of the Immigration Act as it stands and, more important, as a result of the regulations made under its provisions. However, members of the committee will, I am sure, recall that this matter has been discussed on a number of occasions when detailed criticisms of the act as it exists today have been made and the difficulties which arise out of this legislation have been pointed out.

I wish to summarize some of these difficulties in order that the minister may be reminded once again of the reasons we believe a complete revision needs to be undertaken. For example, it seems to us that the regulations should be amended immediately to remove a continuing discrimination in respect to sponsored immigrants by granting applicants the right to know the reasons for exclusion, as well as a proper hearing and right of appeal when they are excluded. At the present time an administrative device is used to exclude people arbitrarily. They are refused visas. Reasons for refusal are denied the applicant, and the only appeal which is open to him is heard by an administrative board composed of former administration officials who, in turn, do not give reasons for their decisions.

Some of these matters were discussed in great detail when this house considered the situation of people who had entered Canada illegally and who were detained for long periods in Toronto and Montreal. Partly as a result of discussions in this house and as a result also of publicity and condemnation in the press, the government appointed Mr. Joseph Sedgwick to conduct an inquiry. I do not wish to interfere in any way with that inquiry. I do not wish to suggest to the government that they anticipate Mr. Sedgwick's recommendations, but I do believe the difficulties we have experienced indicate clearly that it is time for a basic revision of the Immigration Act.

It is widely felt that the act and its provisions are being used to discriminate against prospective immigrants to Canada on the basis of race, religion and colour. I know—and the minister, I am sure, would remind the house if I did not say so—that the situation is much better than it was. At the same time, Mr. Chairman, I can tell the minister that very important groups of people and very important countries are still extremely dissatisfied with our attitude in regard to this question.

I have in front of me a speech made by the premier of Barbados, Hon. Errol Barrow, to the Canadian institute of international affairs at the University of New Brunswick, Fredericton, on October 25, 1963. I want to read just a couple of paragraphs of this speech into the record, because I believe it is important to the house, to the minister and to the people of Canada to realize that some of our commonwealth partners have a very poor opinion of Canada's attitude toward them. It seems to me that if the commonwealth is to mean anything, if the commonwealth is to be more than just a name, surely the Canadian government, the Canadian parliament and the Canadian people ought to do everything possible to wipe out the inequities which exist. If such inequities and injustice do not exist, surely the minister and his department have a duty and a responsibility to get across to these countries what the actual situation is, so they do not think they are being discriminated against on the basis of race, colour, religion, and so on.

I wish to read just a couple of paragraphs from this speech because I think it is not only an excellent speech but it demonstrates how the peoples and the governments of the West

Indies feel about Canada and our immigration policies. Here is what the premier of Barbados said, in part, on that occasion:

> And now I come to what is perhaps one of the more vexed problems of the relationships between your country and ours, and that is the question of immigration. The government of Canada is responsible for the policy of immigration into this country like any other government is. A government has to lead from in front; a government cannot wait to find out what the attitudes of little isolated groups of people in that community may happen to be in order to formulate its policy. And this is something on which I am very strong. Very often people in a country cannot appreciate the reasons or the motives behind the action of a government in implementing proposals or passing legislation; but a government has to be outward looking and a government has to lead from in front. And I am not satisfied that on the question of immigration the Canadian government has ever led from anywhere but far in the rear of public opinion. The truth of the matter is that the liberalization of the immigration policy around about January or February, 1962 allowed West Indian immigrants who have special skills or who have relatives in the Dominion of Canada to come into this country without any great formality. Formalities still exist, but they are not as rigorous as they were before. Despite this liberalization of the immigration policy of this country, we find that last year only 1,500 West Indians entered the Dominion of Canada out of a total migrant entry of some 75,000 or 77,000 people. We have approximately three and a half million people in the British Caribbean and in the same period 4,500 people went to the United Kingdom from Barbados alone and, subject to correction by the Jamaican high commissioner, about 12,000 Jamaicans went to the United Kingdom. Now it is much more expensive to get from the Caribbean to the United Kingdom than it is to get from the Caribbean to the Dominion of Canada. Furthermore, I think that the West Indian would much sooner endure the rigours of a Canadian winter than the vagaries of an English summer. I have never heard a West Indian working in this country complain too much about the winter, but in the middle of summer I have heard them make some very unfavourable comments about the English weather. Therefore the proposition would have to be that the West Indian would sooner come to Canada than go to the United Kingdom. Why then do we get from two territories alone something like 18,000 West Indian workers, despite the commonwealth immigrants act of 1962, going to the United Kingdom and only 1,500, including 250 domestic servants who come out under special visa arrangements, coming to the Dominion of Canada? To be brutally frank, ladies and gentlemen, there is a feeling that in the large influx of unskilled Italian and other European immigrants coming into this country, there is either tacitly or explicitly some element of discrimination against the West Indian immigrant.

Later the premier of Barbados said:

> And that is why I think that a government ought to stop hiding behind such shibboleths as housing problems and problems of accommodation, problems of integration and that kind of thing, and give the lead from in front and not trail so dismally behind.

[Mr. Orlikow.]

I want to emphasize again that these are not the words of an ordinary immigrant, a person who comes to Canada and does not know what is going on in Canada, who does not know what is going on in Great Britain and does not know what are the problems of the West Indies. These words come from the premier of one of the West Indian countries. I think the people of Canada and the government of Canada owe it to the people of the West Indies, if the commonwealth concept means anything, if the democratic concept of equality of all people regardless of race, religion and colour means anything, to either correct this situation which the premier of Barbados says in his speech exists, or we need to do an educational job of explaining to the people of the West Indies why this situation exists about which the premier of Barbados has spoken.

Now, Mr. Chairman, I want to raise one other question with regard to immigration. We have not had as large an immigration into Canada in recent years as we had in earlier years, but the nationalities that have come here have changed very markedly. The number of people who have come from Great Britain and from the northern and western parts of Europe has dropped, certainly percentagewise, very substantially; and the number of people who have come to Canada from eastern and southern Europe, from countries like Italy and Greece, has increased very substantially.

I say this, Mr. Chairman, not in any critical sense, because I think it is obvious why the people who traditionally came here from countries like Great Britain are not coming now. I have mentioned the reasons before, as have other members. Naturally when they have full employment in western Europe, while until this year at least we have had for the last ten years substantial unemployment, people are not going to come here. Naturally people from countries like Italy, Greece and Portugal, which have a much lower standard of living than Canada, are going to come here as quickly as we permit and encourage them to do so.

This is what has happened, Mr. Chairman. I not only do not disapprove of this, I welcome it, provided the department, in co-operation with provincial and municipal authorities, recognizes some of the problems which have arisen and will arise as a result of this change and takes steps to help integrate the people who have come here so they may become what

they want to become, namely law abiding, well adjusted, well integrated citizens of Canada.

I think they have done remarkably well. One can visit the new Canadian areas of any large city in Canada, whether it be Montreal, Toronto, Winnipeg or Vancouver, to mention just a few, and see how well these people have become integrated. One must admit and be happy at the fact that the largest percentage of them have been able to find jobs, learn to speak English and do a better job of integrating into our society than they were able to formerly. But the fact is that for a large number of them this integration has been very difficult. In many cases it has not yet begun, and many difficulties still exist.

It seems to me that the department must have a much closer look at the kind of people who are coming here and at the problems which have arisen. I do not think the department must do this necessarily by itself, because I recognize that to a large extent these social and economic problems are the responsibility of the provinces and the cities in which these people live. But if the federal government is going to encourage people from Italy, Greece and Portugal to come here, it seems to me that it is the responsibility of the government and the Department of Citizenship and Immigration to do everything possible to see that they are integrated into our way of life as quickly as possible.

To a large extent the people who have come here from countries such as Greece, Italy and Portugal are people who do not know the language, and that is understandable. They are people who have lived under governments and regimes which were not democratic. Some were fascist, some certainly autocratic; and the knowledge of these people of democratic society, how people live under our kind of government, and their knowledge of institutions like trade unions and co-operatives is, to say in the least, very limited.

There was an excellent series of articles about immigrants in Toronto which appeared in the *Globe and Mail* in September of this year, in the course of which some of the problems these people face were dealt with. The fact is that many of them are mercilessly exploited just because they do not know our language, our laws and our customs. The *Globe and Mail* listed—I am sure it was not difficult to obtain a list because any trade union organizer in any city in Canada could provide one—dozens of cases where immigrants worked here, particularly those who did not understand English, for months if not years for wages which were less than the law of the province required.

It seems to me that to say that minimum wage laws are a provincial matter is just not good enough.

If we encourage people to come here, Mr. Chairman, to work in restaurants, laundries and the construction industry; and if there is evidence—and I suggest to the minister there is ample evidence—that they are being paid starvation wages and are being exploited, I submit it is the responsibility of the minister's department to work with the provincial authorities in order to make sure that the people who are encouraged by the government of Canada to come here receive the protection to which they are entitled.

A large number of people who have been brought to Canada are working as agricultural labourers. I know these labourers come under the jurisdiction of the provinces, and even if they did not one could not expect the minister to deal with labour problems, which come under the jurisdiction of the Department of Labour. But a large number of immigrants in recent years have worked as agricultural workers in rural areas, and like other agricultural workers they do not receive the protection of the minimum wage laws, the workmen's compensation acts, hospital insurance, and so on.

I do not think it is good enough for the department to say that all agricultural workers are affected by the same kind of situation, and it is a matter which has to be dealt with by the provincial ministers of labour and the other provincial departments concerned. After all, these people came here at the urging of the federal government. They came here because the federal department established means for encouraging them to come here. It seems to me we need to establish through the Department of Citizenship and Immigration agencies and offices to protect immigrants in the transitional period until they have an opportunity to learn the language, to learn the laws of Canada and what are their rights.

It has been suggested by people who have made special studies in this field that we need new agencies, either government agencies or voluntary agencies, established in areas where these immigrants live, staffed by people fluent in the language of the immigrants to act as a liaison between the immigrants and the community. They would be able to keep track of newcomers to the neighbour-

hood and provide them with advice and assistance which they will need if they are to become useful, happy citizens in this country of ours. There are some voluntary agencies working in cities such as Toronto, but the ability of voluntary agencies to handle this kind of complex and expensive undertaking is very limited, and certainly limited by lack of finances.

As I said, if this government is going to continue to encourage people to come to Canada, particularly people who are new to our language, our customs and our way of life certainly I will support them in this program, because I think people from these countries I have mentioned as well as other countries should be encouraged to come here. But it seems to me that if the government are to continue to do this, as they have for a large number of years now, in fairness to them the department must establish a means so these people when they come here receive the assistance they require to enable them to become useful and happy citizens.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I want to contribute very briefly to the discussion of the citizenship and immigration estimates. I wish to take part in this discussion in order to express a few personal ideas concerning the whole problem of immigration, even if those concepts may, in some cases, seem somewhat bold.

Mr. Chairman, I think that for the federal government immigration represents a moral responsibility as well as a social one. Not only with regard to Canadian citizens but to the citizens of the whole world.

Our country has immense resources but is still sparsely populated.

Indeed, there is certainly room for a very large population, and it should be recognized that the 19 million-odd people in this country are only a very small population for such a vast territory.

On this basis, it must be recognized that we have a double responsibility, that is to maintain a buoyant economy in Canada, and also to open our doors to people from overpopulated countries who are only too glad, at this time, to find some other place under the sun where life is a little easier.

But there are many problems connected with immigration, and the economic problem is not the least one, if we consider the fact that, at this time, the department of immigration is trying by various means to attract to Canada people from other countries so that they may work with us in the development of this country.

[Mr. Orlikow.]

On the other hand, we recognize and deplore the fact that a very large proportion of our university graduates, technicians, and all those who have attended university, are crossing the border to the south, because they are attracted by better economic conditions in the United States.

We, in Canada, are trying by every means to raise the educational standards of our people. In the province of Quebec, more particularly, we see that the government is earmarking a very large part of its resources for the educational field, but, unfortunately, we find that in the end a very large proportion of our graduates cross the border and remain in the United States where they find greater advantages and greater possibilities of advancement.

Mr. Chairman, I wonder if the Department of Citizenship and Immigration could not give special consideration to that problem because the exodus of our graduates to foreign countries constitutes an extremely serious loss for Canada which, on the other hand, is trying to attract citizens from other lands who, in most cases, do not have the technical know-how and who are not adapted to our culture and our economic and weather conditions.

I should like to call the attention of the minister on that particular point because I feel it is most important for us to make the necessary effort to keep our citizens, our brothers and our children but especially our university graduates whom we need so much and who will remain here if we can, within our economic system, offer them the same advantages as they would get in the United States, at this time, or at least comparable advantages. In my opinion, economics are closely related to the immigration policy we must follow in Canada.

Mr. Chairman, there is a particular problem I should like to bring to the attention of the minister. It may be somewhat delicate because it has to do with the previous traditional attitude of Quebec concerning immigration.

Yet, I think it is fairly easy to explain or, if you prefer, to justify the attitude French Canadians from Quebec had, in past centuries, toward the coming of immigrants.

I think we have to go back to the year 1760, when France left Canada as such and when England took over the control of the country, to understand what has been the situation of the French speaking Canadians in a Canada which was becoming an English colony.

Having decided they would remain a French entity on this North American continent, they had to settle in the back country, I might say, and stick to the land in order to survive. And during 100 years, they categorically opposed immigration because they knew that for them, immigration, in the situation then prevailing, was a threat to their very existence and meant assimilation sooner or later.

Since that time, 200 years have passed and during those 200 years, the French-Canadian group, as such, has laid strong foundations which practically ensure its survival. Indeed, I think that survival is no longer a problem.

What is a problem at this time is to maintain its percentage within Canada as a whole. I think that is where the federal government has a very serious responsibility, the responsibility to see about maintaining that percentage. That is not easy; it is even very difficult, I know, all the more so as my fellow citizens in the province of Quebec still have difficulty in understanding the problem, and especially in considering the solutions we may put forward in order to maintain that proportion of the French speaking element in Canada.

Personally, I have come to the conclusion that the people of Quebec should completely revise their philosophy concerning immigration.

Admittedly, if Quebec maintains its present position toward such immigration, we shall definitely see the percentage of French speaking Canadians diminish compared to that of English speaking Canadians.

In my opinion, the possibilities we have of maintaining that percentage are quite limited; we should therefore take full advantage of those possibilities if we really want to attain this objective.

Personally, after analysing the situation and scrutinizing the various aspects of the problem, I have come to the conclusion that the Quebec government should partake in the immigration policy of this country. Here, I would like to call the minister's attention to a positive suggestion I intend to make. The minister of education in Quebec, Hon. Paul Gérin-Lajoie, is, I believe a highly qualified and very broadminded man, and especially he is able to speak to the population of Quebec. By his initiatives, he proved that he had the ability and the qualifications.

It is very difficult to convince the people of the province of Quebec who are over 50 years of age that such a change is necessary in their attitude toward immigration; but it is not so difficult to convince the young people. If we want this mentality to develop in the province of Quebec in the matter of immigration, we must work among those who, tomorrow, will become French Canada, that is to say our young people.

There should be, and I feel strongly about this, the closest relationship between the Quebec minister of education and the federal minister of immigration, so that together they may arrive at policies liable to give the results we are all hoping for, that is the maintenance of the present percentage of French speaking people in Canada.

There are very specific reasons, Mr. Chairman, for the maintenance of such a percentage. One of them arises from the present grievances on the part of this group of Canadians in Quebec against confederation and in favour of Quebec's withdrawal from confederation. That grievance, that separatism, since you want to call it that, also originates in immigration. We are afraid, because we realize the possibility of assimilation and we cannot see any solution to that threat other than the withdrawal of Quebec from confederation, so as to form a French state, independent from the rest of the country and able to control and maintain at the present percentage the French speaking people on the North American continent.

I believe that, in view of the facts, we should try to foster the coming to Quebec of immigrants with a Latin culture. I realize it is very difficult to attract to French Canada, or any other part of Canada, French people from France, and I understand this, because France is not overpopulated—it is a country that could be compared to a garden where people live in economic and climatic conditions that are practically ideal; it is very difficult to make a Frenchman leave his own country.

Therefore, if we cannot rely on French nationals to come to Canada or to Quebec to complement the natural increase in our population in order to maintain our percentage of French speaking people in Canada, we must look in another direction. I can only think of one solution, and that is Italy. Italy is overpopulated particularly in the north. It is a Latin country. We have considerable cultural affinity with the Italians. I think that we, Quebeckers, should make a superhuman effort in that direction.

I would like the Minister of Citizenship and Immigration to study the situation very closely in order to see to what extent we should bring Italian citizens to Quebec at the present time, because I believe that if they

cannot be assimilated into the Canadian context, if they cannot be assimilated into the Quebec context, the French context as such, we should be prepared to make certain concessions. In my opinion, particularly in Quebec, we should be prepared to accept a very large number of Canadians of Italian ancestry in Quebec because, although we may not speak the same language, there is nevertheless a tremendous cultural affinity between us.

If we could attract a large number of Italian immigrants to Quebec, it would be the only really practical solution for us to offset the present trend indicating that the proportion of French speaking Canadians or those of Latin culture is decreasing in the country.

I hope that the Minister of Citizenship and Immigration will duly note those remarks. If he discussed this problem with the Quebec minister of education, both of them could include in the educational program of the province of Quebec, a subject dealing with immigration that would be taught in all Quebec schools.

I feel that in the Quebec educational system at present, emphasis should be laid on the need to increase Canada's population. I believe we should make it clear to our school children that the coming of immigrants to our country is not a threat to our economy, far from it.

I believe there is an urgent need to increase our population. It is a matter of prime importance at present, if we want to overcome those economic problems resulting from the fact that our territory is too large for our small population. This automatically causes serious transportation problems which affect production costs before reaching the consumers. Canada must increase its population. Since our neighbours have a population of 200 million people, as long as we compete with that country, we shall experience difficulties, being unable to establish secondary industries requiring large investments in order to achieve mass production which is only justified in itself by a large consumption.

Our immigration policy must be revised. Quebec was right to object, in the past, to the coming of immigrants into Canada. Today, however, Quebec must bow to facts and change its attitude because its very existence is threatened, since, in the first place, the percentage of its population will be reduced considerably year after year compared to the total population of the other provinces and, in the second place, its economy may fall in value proportionately to the increase of the population in the rest of the country. Quebec's economy will no doubt continue to improve, but at a slower pace than in other parts of Canada where immigrants are welcome.

I urge all my Quebec compatriots, who will perhaps hear about the speech I am making here today, to lay aside prejudices and any purely local reason they may have against the coming of immigrants into the country, and consider more objectively the problem facing us today.

Personally, I think the citizenship and immigration department should open a larger number of offices in Italy, especially in the north, where apparently there are 525 people per square mile. I do not know if my figures are correct, but I am told that Italy numbers about 250,000 new nationals every year. There is seemingly more Italians living outside Italy than in Italy itself. If that is the case, I think we should do everything we can to attract Italians to Canada, more particularly from northern Italy.

Why from northern Italy more particularly? Because living near the French border these people have more affinity with us than those living in the south. Also, because the northern part of Italy is economically and industrially more developed, it would be easier for us to find there people more qualified and able to adjust to our Canadian complex, from an economical and industrial point of view. Another reason for which I favour the coming to Canada of Italian citizens—it may not apply to everybody, but in Quebec I think that it is an important reason—is that Italy is the seat of the Catholic church and that a large majority of Italians are Catholics. For us, in the province of Quebec, this aspect is very important. Having made those remarks, I think—

Mr. Choquette: Are they practising Catholics?

Mr. Lessard (Lake St. John): My hon. friend is asking me if they are practising Catholics. I would not go so far as to suggest that they practise their religion more than we do in Canada. On the other hand, I cannot insult them by pretending that they practise it less. In any case, we in Quebec have only ourselves to blame if we do not practise more.

Mr. Choquette: Do you pretend that we do not practise our religion as much as they do?

Mr. Lessard (Lake St. John): Unfortunately, I do. We must strive for perfection and, as

far as I am concerned, I realize that the goal is still to be reached. I also think that the hon. member for Lotbinière (Mr. Choquette) finds himself in the same situation.

I should like to come back to the economic question, the sore spot in the objections of most people. I believe that here, in a nutshell, is Quebec's main objection: we now have 200,000 unemployed and, if we were to accept 100,000 Italians each year, would we then have 300,000 jobless people after two years and an additional 100,000 a year later?

I feel that, at this time, it is possible, through the publicity media available, to educate the population in regard to the economy, so that they may understand that the economy of a country expands with its population, and that the more the population of the country increases, the more the Canadian economy will be buoyant and prosperous.

In my opinion, the population of Quebec can understand this reality as well as that of the other provinces. All we have to do is use television, radio and newspapers to carry out an objective publicity campaign and to put forward these facts which will substantiate my statements.

Mr. Chairman, before I conclude my remarks, I must point out that we need a larger population to settle our huge territory.

We also have a responsibility to the population of the overpopulated countries, and in my opinion we must prepare ourselves to face this responsibility by offering reasonable economic conditions and by opening wider the gates of Canada to immigrants, so that we can develop our country and build here a truly Canadian industry, owned by Canadians and in a position to compete on world markets.

We must do that, while safeguarding the rights of the French Canadian minority in this country, giving it the assurance that it will survive, that it is in no danger of being assimilated and that it will always have the place to which it is entitled, from the point of view of its percentage of the total population as well as from the economic point of view.

[*Text*]

Mr. Cantelon: Mr. Chairman, I wish to say something about immigration from the West Indies, possibly on the same line as that taken by the hon. member for Winnipeg North. Immigration from the West Indies has been poor in numbers, and I suppose this is because we have imposed restrictions. I am sorry we have these restrictions, because in most cases West Indians speak at least one of our two official languages. They have the same ethical standards as ourselves, though I am free to admit they do not always observe them any better than we do; and, of course, they are members of the commonwealth. These ought to be sufficient reasons for us to remove restrictions on West Indian immigration. Of course I must also say we need to be careful not to remove all the restrictions, because there are many people in the West Indies who could not make a living in Canada and who would not fit into our society.

In 1952 when the present Immigration Act was passed, some 710 people came to Canada from the West Indies, and until 1955 the annual rate of immigration from that area ran at around that very low figure. In 1956 one restriction was removed and immigrants were allowed to enter Canada from the West Indies provided they were designated by the West Indian government as domestic servants. When that happened some 1,058 of them came to Canada, and during the next five years immigration remained in that range.

In 1962 the government decided it would be advantageous to remove that particular regulation and put in its place a restriction —perhaps I should not use the word restriction—rather, a regulation allowing people with certain educational standards, training and skills to enter Canada from the West Indies, and in that year some 1,480 immigrants came to Canada from the West Indies. Further, the then government sent immigration teams to the West Indies, and partly as a result of their work and as a result of the new regulation, in 1963 some 2,227 people came to Canada from the West Indies, still a very small number but at least those who came were able to fit into our society.

A total of 75,000 people left the West Indies in 1962, of whom only 1,480 came to Canada, but it is obvious there are many people in the West Indies who would like to settle elsewhere. I request the minister to review this whole problem carefully and introduce liberalizing measures which would allow entry into our society of more West Indians capable of making their living in Canada.

It would be unwise to open the doors wide and let them all flood in, because they are not accustomed to our climate and I am afraid some of them could not adjust to our system of living. However, the previous Liberal minister of citizenship and immigration said his government wanted to remove any stain of racial discrimination from the Immigration

Act. I would hope the present minister agrees with this and will review the whole problem of West Indian immigration so as to allow more of these people who would like to come to Canada to do so.

[*Translation*]

Mr. Lachance: Mr. Chairman, I listened attentively to the hon. member for Lake St. John (Mr. Lessard). I agree with the main part of his remarks, especially when he talked about the immigration of Italians from the north. Of course I am for judicious immigration to Canada.

Since the hon. member for Lake St. John talks about immigration for the province of Quebec, I think the Quebec government should take the necessary steps to settle those immigrants there. The other provincial governments should do the same thing. Those who want to encourage strong immigration should see to it that immigrants are well settled and looked after so that they may adapt themselves to the Canadian way of life.

I wanted to stress the fact that Italians from the north would certainly be qualified to come to Canada as immigrants.

[*Text*]

The Chairman: Shall the item carry?

Mr. Peters: One o'clock.

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Baldwin: This is the first opportunity I have had to speak while any matter of concern to the hon. minister was before the house and I wish to extend to him my best wishes in the administration of what I consider to be one of the most important departments of government in the country, particularly at this time.

Before I deal with the estimates I should like to take this opportunity to place on record my appreciation of the co-operation, the understanding and the assistance of all members of the hon. gentleman's department, from whom I have never had anything but the utmost courtesy in connection with the various incidents I have had occasion to bring to the attention of the minister.

We have heard some interesting speeches today and I think I can safely say that my views coincide with most of the views which have been expressed, because despite what has been said to the contrary it is still my impression that the concept of immigration in this country is very much the same as it was many years ago and that it will continue to be for years to come. I took the occasion during the lunch hour to look up in the library the beautiful inscription which appears on the statue of liberty—part of a poem by Emma Lazarus which is inscribed on a tablet there. I think these are words which the minister and his officials here in Canada could well bear in mind:

> Give me your tired, your poor,
> Your huddled masses yearning to breathe free,
> The wretched refuse of your teeming shore,
> Send these, the homeless, tempest-tossed, to me:
> I lift my lamp beside the golden door.

There are some who say this expresses a principle which no longer holds good. I deny that most emphatically, particularly because in the world today—and I have had occasion to speak on this subject before—we see approaching at a rapid rate numerous problems which will arise in consequence of the population explosion throughout the world. The expectation that the world population will double within 25 or 35 years must give us pause. We have in this country the area, the place, the opportunities, the resources. We have also a need for the people who will be cast upon our shores by reason of this population explosion.

I know there are some who feel there should be limits drawn on grounds of colour, race and religion. But I would point out that we are now rapidly approaching an age when the dropping of a nail somewhere in the deserts of Asia will have its impact in all parts of the world, and these divisions are not as valid as they were. I had occasion just over the last week end to fly to my constituency, a vast area stretching over the northwestern third of the province of Alberta. On Saturday in a small plane I flew north to a place called Hay Lakes which is along the route of the new Great Slave lake railway. Here I saw millions of acres of arable land. I flew low over tremendous forests waiting to be exploited. The railroad goes to the Pine Point area, a mine where a town will shortly be built. I flew over small hamlets which are rapidly becoming towns in an area where as a young lawyer 30 years ago I walked and rode in pursuit of my professional duties—an area with gas and oil, all that is needed to make a wealthy country, save only people; an area which could accommodate 5 million people with no difficulty at all. It seems to me that as time passes our statesmen will find it increasingly difficult to hold up their heads in council chambers of the world

to which they will from time to time be called unless we now direct our efforts towards bringing about a complete immigration policy.

I have been looking at the statute. I may be wrong and if so the minister will correct me, but it is my impression that we still have virtually the same statute as was on the books in the revised statutes of 1927. True, there have been some changes, additions and deletions but generally speaking much of the wording remains the same. I do not place the blame for this upon the minister or upon his officials. This is something which we as a people have neglected. We have failed to turn our attention to it. In the Peace river area, and indeed in all parts of the north our requirement is for people. We wonder whether or not we are going to secure the immigrants we need to develop our country as we did in the past.

There is no doubt that in what might be called the good old days—or probably they were the bad old days—people migrated from east to west because of depressions and difficult times. There were some who were adventurous, but mainly they were people who wanted to move because they were compelled to do so to carve out for themselves a new home and a new career. This is what caused wave after wave of settlement both south of the border and north of the border between our country and the United States.

That situation no longer prevails. We have now brought into our economic system what one might call built-in shock absorbers through our social legislation, through all the various schemes that, I think wisely, we have thought fit to place upon our statute books. There will no longer be in our country any wave of migration such as I saw in my country in 1929, such as existed there in 1914, such as we saw throughout the west in the last century and was also witnessed in the United States. It seems to me that if when the first settlers came to this continent they had found unemployment insurance, old age pensions, family allowances and all those other social benefits, the west would never have been settled and the people who live on this continent would still be living in crowded misery east of the Appalachians and around the great lakes. So to settle this area in the west and north, to fill it with the population which it requires—and I think as a nation having these empty spaces we have a duty to make them available—we will have to attract and secure the entry into this country of people from outside these limits.

I am going to be very brief in my suggestions, Mr. Chairman. I suggest to the minister this will require a new concept of the problem of immigration. I wish to make this suggestion to the minister before I sit down. I understand there is under consideration a new act. All too often some act is formulated by a minister and his advisers, and when it emerges, it emerges as partisan legislation in the sense that it is ultimately offered by the government. I suggest to the minister that he should give serious consideration, before bringing forward any legislation, to the appointment of, or to asking the house to consider the appointment of a small select committee which could operate, possibly this year but certainly next session, to deal with this whole question of immigration, our approach to it, the question of what, if any, limitations we should place on the entry into this country of other people, the relation of our immigration policy to our economic and social problems, and in particular the necessity of settling that part of the country which lies to the north.

There is just one other matter I wish to deal with very briefly before concluding. Some other speakers have mentioned this question. I was on the island of Jamaica last winter during a very brief visit to the West Indies. Jamaica is a small island of some 3,400 or 3,500 square miles, with 1,800,000 people. It has a very small area of arable land; much of it is mountainous, much of it is unfit for cultivation and, as an hon. member said earlier, it is a country which is part of the commonwealth, a country which has many of the same principles, the same outlook and the same future as we have. This is an apt illustration of the problems which we face: To what extent should we, must we, give consideration to liberalizing our immigration laws so far as people from this area are concerned? It is my submission that this is a subject matter which lends itself exceptionally well to treatment by a committee of this house, a committee of members who are in constant touch and liaison with the people of Canada and who I think would be able to come up with some recommendations and advice to the minister at some time prior to the presentation to this house of a new Immigration Act. I conclude, Mr. Chairman, by asking the minister to give very serious consideration to this suggestion.

Mr. Winch: Mr. Chairman, I have a great interest in the estimate which is now before us because, representing the constituency of Vancouver East, I have a riding in which there

is a strong concentration of Canadians with varying ethnic backgrounds. Although the majority are what we might term British in origin, there are in Vancouver East many thousands of people whose ethnic backgrounds are Italian, Chinese, Germanic, Scandinavian and East Indian. It therefore follows, Mr. Chairman, that I receive and have to deal with a great many questions and problems with regard to the meaning and operation of the Immigration Act, our immigration policies our immigration regulations, etc.

Over the years certain factors have stood out in dealing with these questions and problems of my constituents. The first is one that was mentioned in the concluding remarks of the previous speaker, namely that a new Immigration Act is necessary. Mr. Chairman, it is now almost becoming an historic reference to make mention of a new Immigration Act. If you go back over the years you will find that every time a new minister takes over the Department of Citizenship and Immigration, the first or second speech that he makes in public, nearly always to an ethnic group somewhere in Canada, is to the effect that he is going to give priority to the overhaul of the Immigration Act and immigration policies, and will introduce a new act. Over the years I do not know of one minister going into that portfolio who has not done this within a week or two. Yet we still do not have that act.

In this respect, Mr. Chairman, the new minister is no different from his predecessors. He is kind enough to send to members of parliament copies of his words of wisdom as he spreads them across Canada in his speeches to ethnic groups. I have them. He, too, gives top priority to the need or necessity for a new act. Therefore, and rightfully so, under this estimate we can ask as top priority, will the minister tell us when the years of saying that this overhaul of the act is going to have priority are going to end, and the overhauled act will be introduced into the House of Commons for the consideration of its members? That is the first point, Mr. Chairman; because I think we have all agreed over the years—all parties and all ministers —that there is this need.

The second point is something with regard to which I believe I have considerable knowledge because of the ethnic background of the constituency of Vancouver East. Speaking from memory, over the years I do not believe I have ever raised an immigration problem with the minister or his predecessors that was not because of an approach made to me by a Chinese Canadian, an Italian Canadian or an East Indian Canadian in my constituency and dealing with the landed immigrant status of a relative. Whether it was a wife, child, brother or sister, it was a relative. Every time an application has been made on behalf of a Canadian in my constituency—and I have had many cases because I have such an ethnic stronghold, if I may put it that way, in my constituency—dealing with the landed immigrant status of a relative, be he from Indian, Pakistan, China or Italy, what has amazed me and continues to amaze me is the length of time it takes to process the application or to resolve the problem after it is brought to the attention of the department, either directly by the applicant or when the applicant comes to me as his member of parliament and I raise it for him. I could understand a matter of weeks or even three or four months would elapse, but my experience has been that month after month goes by, in some cases more than a year, before these matters are processed and resolved. That is not a good state of affairs. It is not good on the basis of public relations, international understanding, or for members of parliament who are trying to handle the grievances and problems in their constituencies so far as immigration matters are concerned.

If the minister were to tell this house that there is a shortage of staff at home and abroad, or a shortage of medical practitioners in Hong Kong or in our overseas offices, and were to ask this House of Commons for the required staff when he brought in his estimates, I can assure him that I would not be standing alone to back him and to see that he gets the required staff so that we can have an efficient processing of matters affecting immigration. I also think there are many problems caused by unnecessary red tape, and I sincerely hope that some examination is being made to correct the delay in processing due to unnecessary red tape.

I want to follow this up, Mr. Chairman, with another phase, one which I regret having to mention because the minister and his department must be getting a pile of files and correspondence between his department and myself concerning cases I have drawn to his and to the department's attention on behalf of my constituents. I regret having to say this, but it is my opinion that there is too much emphasis being placed in the department on trying to find some technicality, some regulation, some specific reason to turn down an application for landed immigrant status, rather than using a humanitarian

approach in order to see whether or not it is possible to meet the desire of the applicant or to meet the proposals constructively presented by members of the House of Commons on behalf of their constituents. I say this particularly with regard to applications made by Chinese which come before the department.

I fully realize all the difficulties in the past and even some of the difficulties in the present. I fully realize the problems the department has had as a result of illegal entry, lies and confusion and contradictory statements, many of which have been cleared away now as a result of the policies regarding amnesty since 1961 or, in the cases of people who entered Canada after July 1961, the sympathetic consideration shown to them. I fully realize that these contradictions have occurred and these confusions have abounded but the more I deal with the Chinese the more I understand them. It is because these people themselves are confused and even scared. The reason for these contradictions and confusions is the fear that the ultimate decision will be a negative one. I should like to give two or three examples of this, as I think it is the best way to bring home what I have in mind. I will deal only with my constituents in Vancouver East.

After months of negotiation and the interchange of correspondence—I realize the minister had to deal with both his Vancouver office and Hong Kong and correspondence went back and forth—finally yesterday I was told that in the case of one application the answer was no, it would be rejected, and the reason was there was confusion in the mind of this old man as to the date when his son was born, etc. This applicant is an elderly Chinese Canadian for many years resident in Vancouver who operates a small business store in my constituency. His first wife was killed at the time the Japanese went into Hong Kong. Then he married again and his second wife is here. He had a child who was born in Canada and this child is at school. But he wants to bring over to Canada one son of his previous marriage. This man is old and not well. His wife is ill. She has just come out of hospital for the second time having undergone further operations, and he wants his son to take over the store and help keep his other boy at school. He made his first application 12 years ago and I am still fighting his case. But I have been informed that the answer is no because of this old man's confusion. He has been told that he cannot prove tnat this boy in Hong Kong is his son.

I am sorry that he cannot prove it, and frankly I do not know how he could prove it. But this is the point. If this boy is not his son, will you tell me, Mr. Chairman, why this Chinese Canadian who has operated a small grocery store for some 12 years in my constituency has been sending this man some $50 Canadian a month for his security and maintenance in Hong Kong? He has kept all the receipts, and I cannot conceive of an aged Chinese sending $50 a month to maintain someone in Hong Kong who is not his son. As I say, he made his first application 12 years ago and still wants this young man to come over. The authorities say that although perhaps there is some truth to this, otherwise he would not be doing it, the answer is still no. The authorities say that what he said 12 years ago and what he said two months ago do not jibe, so they have turned him down. It is this attitude that I cannot understand. Surely it is the milk of human kindness to consider these cases from the humanitarian point of view rather than look for technicalities; and surely the benefit of the doubt should be in favour of any applicant. That is just one example, but I want to give some others to drive my point home.

I have in my constituency another aged Chinese. How many years he has been in Canada I do not know but I do know that for 35 years he was the No. 1 boy—that is the term they use—of one of the most well known financial and industrial families in Vancouver. After 30 years as No. 1 boy he retired. He had saved his money and he bought an apartment block in Vancouver East which he is now running. He has only one child, a son born in Canada. That son has spent seven years in the R.C.A.F. and is still in the air force as a pilot. He is away from home.

His mother-in-law is in Hong Kong and she is very old and very ill. Admittedly she is old and ill. She has only one, two or three years of life left but she has been refused permission to come to Canada to see her daughter again and to die here. She can receive all the medical treatment she needs here. The man is prepared to pay her fare and to give her all the medical attention she requires. He will put up a $1,000 or $2,000 bond if the department requires it. But the answer is no.

With her is a nephew of this constituent of mine who at a very tender age was sneaked

out of mainland China. He is one of five who were sneaked out and he is with the grandmother in Hong Kong. This constituent of mine who has a son in the air force and owns an apartment block would like to bring this boy over here along with the mother-in-law and raise him in Canada. What is the answer? The technicalities of the regulations. The department does not believe in splitting up a home or family. How in the name of heaven are you going to split it up any more than it is?

This tyke was sneaked out of communist China into Hong Kong. He is not going back and it does not look as if he is ever going to get out of Hong Kong. He has been there for four or five years now. The only one he knows is the grandmother. Yet the answer is that the mother-in-law cannot come because she is too old and medically unfit, and the little boy cannot come because the regulations or the law or the policy say that a family should not be split up. This may be the law, this may be the regulation, but if it is I say it is a stupid law, a stupid regulation, when the milk of human kindness cannot be exercised in cases such as these.

The minister knows I could give more examples but I have just given these two because for the life of me I cannot see any reason for this attitude on the part of a country that claims it is progressive and wants to help people. We brought in displaced persons who had no relatives in Canada, and the fact is that some of them had tuberculosis or other diseases. No regulation, no policy, no law of Canada stopped us from giving assistance to the freedom loving Hungarians. Yet when it comes to Chinese Canadians who have lived all their lives in Canada and who want to bring in a mother-in-law and a young nephew confusion is compounded and technicalities stand in the way. So the mother-in-law and nephew cannot come to this country although their transportation is guaranteed, their security is guaranteed and a bond would be posted before they came. But the department says no.

I ask the minister to take a second look at this type of case in which I am interested and let us see if we cannot give a demonstration of the height to which Canadian democracy can grow, and what it really means from the point of view of dealing with cases on the basis of need, on the basis of humanity, on the basis of sympathy, on the basis of sentimentality and not so much on the basis of law and regulations.

[Mr. Winch.]

[*Translation*]

Mr. Choquette: Mr. Chairman, although I had no intention of taking part in this discussion about the estimates of the Department of Citizenship and Immigration, during the next few minutes, I should like to add my own comments to those made by the hon. member for Lake St. John (Mr. Lessard), who, while giving us an intelligent review of the situation, did expound certain principles which did not quite excite me.

If one chooses to deal with the problem of immigration, one is doubly justified to do so if one happens to be a French speaking member, especially in view of the climate in which events are now taking place in the province of Quebec.

Another thing which leads me to take part in the present debate is the principle expressed at a meeting I had the opportunity to attend. I refer to the meeting of the Quebec Liberal federation, where the supreme authority there, Premier Lesage, stated that the Quebec government was the political expression of French Canada.

Mr. Chairman, it is clear that, at this time, the government of Quebec may be the strongest political expression of French Canada, but not its true political expression. I rather think that the political expression of French Canada is found in the French Canadian members sitting here in Ottawa. It should be the most important one, and it is precisely the one which has to discuss such a basic matter as immigration.

My hon. friend from Lake St. John said:

> We should try to maintain the percentage of French speaking people which now exists in this country.

I am not exactly excited over this principle, because I think that our objective, as French speaking members, should not be to maintain a percentage of 27 or 30 per cent, but, on the contrary, to restore a balance which was upset by a lack of any positive immigration policy on the part of the Quebec government, which has been inactive, apathetic, and even guilty, in the field of immigration, because it is evident that, however one looks at it, immigration has clearly been to the disadvantage of French speaking Canadians. Indeed, we have been constantly pressed back because of our immigration policy.

At this stage, we are not concerned with finding out who is guilty, but we want to find solutions. Consequently, the principle set forth by the hon. member for Lake St. John, to the effect that a certain percentage must be maintained, certainly does not excite or stir

me. On the contrary, I believe that we should try to restore the upset balance and to increase the French speaking element in this country. We should make an inventory of all French speaking sources of immigration, to make the required selection and see by how much we would be able to reinforce the French speaking element and hence, Canadian unity itself.

In addition, if confederation continues to operate artificially as at the present time, a certain split may occur, and that should be prevented and avoided at all costs.

It is also necessary to establish a cultural interdependence among all Canadians, regardless of their ethnic origin. We should also have a Canadian ideal.

I am convinced that strengthening French minorities outside Quebec would contribute to create Canadian unity; a Canadian atmosphere and ideal would unavoidably be created and thus cultural interdependence among all Canadians would be greater. This is the ideal which I have in view and this is the reason why I wish to go beyond the thought expressed by the hon. member for Lake St. John.

On the other hand, my hon. friend had an excellent idea when he suggested that Canada should tap immigration sources in Latin countries. We have a better chance in Quebec to assimilate people with a Latin culture. The hon. member suggested northern Italy as a place where our country could go for immigrants, and I would say that he is perfectly right.

I do not feel I am straying from the thinking of the party I represent in this house by stating that such is the aim or intention of the Liberal party since we kicked those ideas around and decided that something should be done sooner or later—no date has been set—to open an immigration office in northern Italy, specifically to get immigrants of good stock, good reputation. Besides, the minister might have the opportunity to announce shortly the opening of an immigration office in Marseilles or Bordeaux.

As a matter of fact, his predecessor, the present Minister of Justice (Mr. Favreau) had done so.

In this way, Mr. Chairman, our immigration policy would be sounder and more consistent.

I must add, in conclusion, that some will say: If you, French Canadians, complain of having been taken in with regard to immigration, it is surely your own fault.

It is true that at one time strangers were not welcome in the province of Quebec. This attitude was denounced by several people who were anxious to improve our political position in the field of immigration.

I should like to refer to a statement made by the hon. member for St. Hyacinthe-Bagot (Mr. Ricard) who once worried about the coming of Algerians. Imagine. A few French speaking Algerians were coming to the province of Quebec to take our farmers' places.

It is this archaic, old-fashioned and backward mentality that put us on the downgrade in the province of Quebec. That is the reason why our immigration policy always made us the losers.

This is the prototype of those narrow-minded people unable to understand that Quebec is in full development, that it must develop and needs immigrants to achieve this aim. The stronger the French element, the stronger Canada will be, because we are all interdependent.

This must be the goal of all members of the house.

[*Text*]

Mr. Peters: I would be very brave indeed if I were to continue in the vein of the last speaker. No matter which side of that particular debate I took, I think I might be the loser. The immigration policy of a country is, in my opinion, probably the most important problem, especially in so far as a country like Canada is concerned. Most segments of the economy consider we will have to increase the population of our country by immigration by at least 50 per cent or more in the next ten years to provide the opportunities that are available to the Canadian people. We need a vast number of immigrants in this country.

I believe it would be very difficult to decide in Timiskaming, in fact in any part of northern Ontario in which I have had the opportunity of living and working, who the immigrants were going to be. It would be difficult to maintain an ethnic balance in northern Ontario because the independent countries from which a large segment of the population came no longer exist. This is true of some of the Scandinavian areas, the Slavic and Baltic areas. These people have brought many benefits to northern Ontario from those areas, benefits that cannot be duplicated. I do not believe it is necessary for us to maintain a balance, particularly when it is something that was unplanned in the first place.

We should be embarking on an immigration policy which is designed to increase invest-

ment in the country and thus make it a better place for all citizens to live. In order to do this, Mr. Chairman, we have to have a fair, reasonable and internationally honest immigration policy. I have had differences of opinion with the officials of the immigration department in the past but, knowing civil servants, I am sure these officials are all very sincere. They are well aware of the problems facing them. I think the hon. member for Peace River put forward a suggestion that would eliminate some of the problems facing the senior civil servants when he suggested the appointment of a committee that would study what the government of Canada wanted to accomplish, what our aims were in connection with immigration. I know that if the Canadian people were able to decide at an election by referendum whether or not they wanted to bring in more immigrants to raise the population of Canada rapidly in the next ten years, the vote would be overwhelmingly in favour of that course. I know also that if you asked the people who they wanted to bring in as immigrants you would receive as many varied answers as there are ethnic groups. There has to be a set policy.

The minister must be faced with tremendous problems, because his predecessors were. Each one of them, upon going into citizenship and immigration, said that he or she would revise the act; that the things the hon. member for Vancouver East so eloquently expressed were facts. Certainly no minister who has any human tendencies at all would be able to read these letters without feeling strong emotions. This situation has resulted, over the years, in many orders in council which are really only an excuse, a legal method of doing something by way of exception that you cannot do in general. I am sure this minister is faced with the same problem. I am sure that every one of his advisers will tell him: You should do this but you cannot; you cannot do these things for the reasons that have been developed over the years.

I was sorry to see the former deputy minister, Mr. Davidson, go, because he had great understanding and an abundance of humanity which would, in my opinion, have enabled him to overcome some of the reluctance to look beyond what is honestly accepted by most officials of the department as being the facts. Many officials feel there is no way of changing the situation without creating a situation even worse than the one we are trying to correct. I believe if a committee were set up it could decide some of the ways in which our aims could be accomplished. I believe the minister is going to have to consider this committee set-up before he proceeds to change the act.

It is true, Mr. Chairman, that I have not been here very long but I have heard every minister say, privately and publicly, that he or she intended to do something about the Immigration Act. I should like, just for a moment, to mention one problem that has faced us and with which we are running into the greatest difficulty now. I refer to the Asiatic immigration policy. I was shocked when I heard the minister say a few weeks ago that the amnesty order for Chinese would be off as of then. I do not believe that is possible. It is not possible for the simple reason that the officials of the department have not been able to get the Chinese population to believe their story. This is a problem for two reasons: One, the officials cannot speak Chinese, which is probably the greatest barrier and, two, there are not enough officials in the field who know the Chinese population well enough to have been able to establish a private relationship. There is no need to go into what happened six or seven years ago. All you have to do is look over the orders in council and you will find where the fault lies respecting many of these immigrants who came in illegally. They came in because of pressure groups. They were brought in by agencies and by people who wanted cheap labour. This was an organized thing to a certain extent, and I imagine that to some degree it still continues; but in fairness to the department, in most areas I know it has been cleaned up, including both the Hong Kong situation and that affecting the officials who operate in the Chinese communities in Canada.

However, we have not been able to convince the Chinese people. I spoke to seven or eight Chinese not long ago, and after I left them I was told seven of them admitted they should be applying under the amnesty order and that they were prepared to do so. We have not enough interpreters to handle the work under the amnesty order, and therefore I think the minister has to leave the order open, while at the same time making it plain that it will not last indefinitely, because if it does we will never be able to improve the Immigration Act sufficiently to stop illegal immigration.

Illegal immigration is a multimillion dollar racket. Every pseudo-gangster in the country wants to get into it because it is real big business. Recently I talked to a young Chinese boy who said he was brought in on a $30 a

month basis under a five year contract. He had to pay his passage back, and the costs involved were $5,000; and during the five years of his contract he was paying $30 a month.

This is not a case of a kind old neighbour bringing one of his friends or relations from China. It is an organized machine, and the Canadian public should be told this machine exists. The public should be asked for support in seeing it is curtailed, and I suggest we should make it very plain both here and through our officials in Hong Kong that we are not going to tolerate it. The department should conduct a large scale advertising campaign to tell the Chinese people that if they go to these schools in China, from which they are sent to Canada, they will be deported.

Deportation should not apply to those already here. All I ask of them is to help us straighten the mess out, so that we will be able to decide who they really are, and clean up the whole rotten mess. Many of these people were brought here under highly criminal circumstances, and most of them have been the innocent victims of a machine that works to their disadvantage and to the disadvantage of the Canadian immigration policy.

I know the R.C.M.P. have information on many of these orders in council, but I also know that when they go into a file and discover an order in council they are told to lay off. This may be all right. I am not interested in having anybody prosecuted or persecuted, but I think it would be wise to go into some of these orders in council through the agency of the R.C.M.P. It is not good enough to ask a Chinese seeking the benefit of the amnesty to make a confession and disclose how he came into the country. He will not tell that; but we have other ways of finding out how the machine works and putting a stop to it.

Many Chinese who come to Canada are in their teens and they will make good citizens. It is only the rare exception who has turned out bad, and though it is true that in the main Chinese have not got involved in civic affairs, certainly they have always been willing to assume responsibility when called upon to do so. I have been very impressed with the Chinese I have met, ever since I became interested in this question. Four years ago when the amnesty was announced I did not believe fully in the sincerity of it, but the successive ministers since then have convinced me that it is solely for the purpose outlined, and so I have been very happy to work with the Chinese communities and with the immigration officers.

It is unfortunate when I find a senior civil servant not willing to co-operate. However this has not affected me and probably has not affected him. Certainly it has not affected the other officials in the department with whom I work. Those Chinese who are in Canada legally should ask questions of members of parliament. These Chinese are wondering if this is the proper time to come forward and declare themselves. A few weeks ago the minister scared the pants off them when he said the amnesty was coming to an end. Applications flooded in, but there are still some who are reluctant to come forward, and members of parliament could do a great service for them.

I suggest we make it perfectly clear to would-be Chinese immigrants that we will not tolerate future illegal entries. If we do this, and later a Chinese boy goes to a school in Canton, where he is given a new identity, shipped to Hong Kong and then transported to Canada, knowing full well he is breaking the law, then he will deserve to be returned to China. To do this the minister will have to undertake extensive publicity in Hong Kong and on the mainland to show that we are overhauling our immigration law to close the loopholes that have existed until now.

In my opinion the Conservative government and its ministers of immigration should be thanked for stopping the order in council system. That system was one of the worst ways of making exceptions to the law. The law should be changed, and I suggest members of parliament be consulted. I suggest a small committee should go into this matter and it should also give consideration to the problems of ratios which have been raised by members from Quebec. These problems will have to be met and we must devise an immigration policy that will facilitate the entrance of desirable immigrants.

I believe we will be obliged very shortly to consider the need to obtain increased immigration and we shall have to be very charitable in considering those countries from which the immigration will come. Why would anybody leave France to come to Canada? Why would anybody leave Germany today to come to Canada? Why would anybody immigrate from Holland to Canada? Why should people wish to leave most of the European countries, particularly those which are now prospering under the European common market and where the employment rate is extremely high? What do we ask of immigrants from those countries? We ask that they be highly skilled. Moreover they

must be prepared to settle here and establish themselves without any assistance from the Canadian government. We shall have to be charitable. We shall have to accept people from countries which are less fortunate than those from which the bulk of our immigrants have come in past years. I do not think we will get as many immigrants in the future from Great Britain and other nations which have been the traditional source of our new settlers as we have in the past. We shall be forced to reconsider this present policy which, as everyone knows, discriminates, for instance, against people from the West Indies.

I am as aware as anyone of the problems which attach to bringing in immigrants from the West Indies. I had the experience of helping to bring in a girl for domestic work for a gentleman in Ottawa. When the girl arrived it was found she had never handled an electric stove and was in danger of getting burnt. She knew nothing about cooking as practised in Canada. Indeed there were many ups and downs in that household before one could call her a domestic servant. And once she was, once she had been trained, she wanted to do something else because she had increased her skill.

We know there are problems. We know the reasons for this reluctance to broaden our immigration policy. But we know also that in certain years, particularly in the peak period of migration to Canada, we opened our doors to arrivals from certain countries because of the need which existed at that time, and as a result of this charitable approach millions have come to Canada, helped to build up the fabric of our country and made a great contribution to our national life.

I must say I did not think the minister would be as broadminded on these matters as he has shown himself to be. I thought he would be a terrible minister of immigration. But I have found out since he took office that he has paid considerable attention to the problems which face him, as they have faced every minister in charge of this department. I pay tribute, too, to the attitude taken by the minister who preceded the hon. gentleman for a short while. This being so, I think there may be a chance of our getting some of the changes we desire. In his approach to this question I hope the minister will bear in mind that this is a house of minorities and that there may be reasonable men sitting in all parts of this chamber. If we could develop an immigration policy of which this parliament could be proud it would, I think, work for the good of the Canadian people for many years to come, enhancing Canada's stature as a land which took a humanitarian and advanced approach to immigration rather than the archaic ones we have at present.

[Mr. Peters.]

[*Translation*]

Mr. Ricard: I did not intend to speak on the estimates now before the committee, but the fit of hysterics which the hon. republican member for Lotbinière (Mr. Choquette) had a moment ago forces me to take the floor and set the record straight.

Some time ago when the house was considering, if I am not mistaken, the estimates of the Department of Agriculture, I said that the only solution which the Minister of Agriculture (Mr. Hays) seemed to have in mind was to bring Algerian immigrants into the country and have them settled on farms. I stated then that, in my opinion, it was a very poor way of improving a deplorable situation, for workers should not be brought in to swell the members of those who suffer hardship because of the depressed conditions prevailing in that particular segment of our economy.

Anybody who refers to *Hansard* of that time will see that I said I was in favour of bringing in French speaking immigrants, that it was even desirable to give this matter more attention than in the past. I never said that I was against French speaking immigrants and, quite the contrary, I would like to see more French speaking immigrants come to Canada. I hope that the present minister will do his utmost in this connection.

Before I resume my seat I think it is important—besides, I feel it would be superfluous on my part to call the attention of the minister to this matter—to exert a close and special control in order to prevent subversive elements from being admitted in this country. The minister certainly has a practical experience of that and I know that he will give this matter all the attention it deserves.

In order to set at rest the mind of the republican from Lotbinière, I would like to repeat that I am in favour of a rational French speaking immigration, and I am confident that the judgment of the minister rather than the judgment of the hon. member I just mentioned will prevail and that this matter will be dealt with fairly and to the satisfaction of everyone, for the progress of Canada and especially of the province of Quebec.

[*Text*]

Mr. Brewin: I intend to make a speech notable for its brevity. I should like to endorse very heartily and warmly the suggestion made by the hon. member for Peace River. I believe the existence of a small parliamentary committee which could review all these immigration cases would, if adopted, be of great benefit to Canada. I think such a committee would assist the minister in the difficult task of administering this department and I urge that it should be adopted.

The other thing I want to say is this. The minister told us that in respect to various amendments of procedures which have been discussed earlier in the house and in this committee, he is consulting a lawyer from Toronto, Mr. Joseph Sedgwick. I do not suppose it is reasonable for us to expect that the details of possible changes in the act or in the regulations can be discussed until Mr. Sedgwick has given his advice to the minister. However, I should like to ask the hon. gentleman whether he has yet received Mr. Sedgwick's report; if not, when he expects to receive it, and whether it will be made available to members of the house who are much interested in radical reforms in immigration procedures.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, I should just like to add a few words in support of the remarks made by the hon. member for Vancouver East (Mr. Winch) concerning the administration and the work of citizenship and immigration officials.

I think there is something quite wrong with the department, especially since the present minister took over. One has the feeling that there is no close co-operation between him and his subordinates.

I am thinking of a case I handled in the riding of Sherbrooke where a certain Mr. Zago has been trying for over two years to get his mother, brother and sister admitted to Canada. At present, those people are in Lebanon and I have been looking after the case personally for more than a year, that is since August, 1963. However, the moment the new minister took over my case was dropped and no one seemed to look after it any more.

I had to write to the department and hand over all my previous correspondence with the officials. It was the same as if there was no file any longer. In fact, I learned recently that the file pertaining to Mr. Zago was in Vienna and that there was nothing more to do.

I did not intend to raise a particular case in the house, because I know that the minister has many of them to consider, but as there were no developments, I decided to do so.

In my opinion, these people are eligible for admission to Canada, because the person who sponsors them is a prominent citizen of the city of Sherbrooke, where he operates a flourishing business; he would like his mother, as well as his brothers and sisters to come to live in Canada.

I feel that this delay might be due to a lack of co-operation within the department. Should it be due to a shortage of staff, as the hon. member for Vancouver East (Mr. Winch) said a while ago, it would be a most opportune time to increase it so that the requests sent to the department should be reckoned with or at least dealt with in some way, for most of the time when we write to the department we have to wait months before getting an answer, even an acknowledgment.

Mr. Chairman, I wished merely to support the observations of the hon. member for Vancouver East, when he said that there was at present a lack of diligence or care in the Department of Citizenship and Immigration in regard to the requests we are sending them.

[*Text*]

Mr. Ormiston: Mr. Chairman, I hope I can be just as brief as the hon. member for Greenwood. I would like to thank the minister for the information he has given me previously in reply to questions I have asked. I know he has not yet secured all the information which he requires, but I would appreciate it if in his subsequent remarks he would tell me under what section of the Immigration Act the two American strike directors were admitted, or under what regulation, in order that I may pursue this matter if necessary.

[*Translation*]

Mr. Latulippe: Mr. Chairman, I would like to make a few comments regarding immigration and ways to increase Canada's population.

Should Canada endeavour to increase our population? I think everyone knows the answer to that.

If our population increased we would have more consumers for, as we are all aware, there is no lack of production in Canada. As a matter of fact, the value of production reached $46 billion in 1963 and we barely consumed $3 billion worth. Which means that there is surplus production to be consumed and that Canada can admit additional consumers.

As for immigration, in my opinion the population should be in the first place increased within the country by encouraging

families to have children. This should be done by means of social laws and every kind of special assistance that can be given to families.

It is a well known fact that in Canada the birth rate has been decreasing alarmingly. Of course, families could be encouraged to increase our population, within the country itself.

Mr. Chairman, judging from the facts outlined in the Canada Year Book for 1963-64, we find that the Canadian government policy has been to promote the population increase through selective immigration, taking into account the immigrants' adaptability to our North American way of life.

I propose to show that our immigration policy has been almost exclusively one-sided, that is, it has resulted in maintaining the nominal superiority of the English speaking population in most Canadian provinces, while giving the impression that the immigration policy of Canada was a sham to allow surplus population from Anglo-Saxon countries to settle here.

Our country has ignored for too long immigrants from the other countries of Europe, Asia and Africa, without mentioning South America. It is a fact that one of the reasons put forward was that it was impossible for several of these people to get used, for instance, to our northern climate. That is a fact which I recognize. However, a number of technicians and experts from those countries have found a haven in the New England states across the border. I have in mind the state of Connecticut in particular, which is one of the most highly industrialized sections of the United States and where the population includes a large proportion of ethnic groups coming from the four corners of the world.

Our immigration policies have not taken into consideration the need for the French community in the country to develop.

Some figures illustrate very well this statement. In 1960, 12,430 Germans arrived in Canada, as compared to 2,940 Frenchmen, that is almost five times more.

It is well known that Germans become an integral part of the English speaking community in Canada.

In 1961, for 2,479 French who entered the country, 15,088 Italians came in and increased the Italo-Canadian population. We are proud of the contribution of these new Canadians to the nation, but we urge the minister to revise his positions and to see to it that the French speaking population in this country receives a proportionate quota of immigrants.

On the other hand, from 1953 to 1962, 410,460 Canadians, or people whose last place of residence was Canada, left for the United States. If we consider that in 1962, 74,586 people arrived in this country, this means that we need five years of immigration, at the 1962 rate to compensate for such a loss of human resources, of which our country is in great need.

What is even more serious is that the United States drain our best brains, our best skills, and that, in fact, we are catering to the needs of American industry, our country being only a stepping-stone between the country of origin and the country of adoption. People spend some time in this country, and once they have realized our inertia and our lack of determination to take the steps necessary to ensure their future, they leave us for another country where pastures are greener and where unlimited funds are available for research of all kinds, and where promotions and a brighter career seem assured.

From 1953 to 1962, 51,011 Canadians who had settled in the United States came back to Canada. That is a back and forth movement which does not yield anything, except some travelling experience, while our country has to mobilize every effort, to use every skill at full capacity and cannot afford half measures.

This nation, Canada, is still to be developed. Such development will come true only if we have enough brains to put a stop to the erosion of the population. While it is quite all right to open the dam to let people in, at the outlets of the lake, you must have an effective plug to hold in those newcomers.

The level of Canadian immigration must be controlled, but in keeping with the proportions of the ethnic groups without allowing in future such camouflaged control of the French Canadian nation, otherwise the provinces will be justified in demanding exclusive control over immigration in their territory.

If we take a look at South America, at French speaking African countries, at Haiti, we will find people who are anxious to join us.

It is high time for the Department of Citizenship and Immigration to adopt modern methods and to do away with narrow ambitions. We cannot afford, in a country with a capacity to feed over 80 millions of men, to have a haphazard approach in this matter and to show once again a lack of understanding and realism.

Especially, must we find the means to keep our immigrants here. I am sure that the U.S. government does not need our services to attract worthy people.

Mr. Chairman, there is an alarming number of Canadians entering the United States. I did not have time to get figures because I just looked up this matter at the last minute, but I know that a large proportion of the people who live in my district emigrate to the United States.

We must find a way to keep our citizens in Canada before planning on bringing in immigrants.

If those Canadians cannot live decently in their own country, a better economic system should be set up so that they would not have to leave.

That is the point I wanted to bring to the attention of the minister and I would ask him to have an investigation carried out concerning Canadian immigration to the United States. I know that the number of French Canadians going to the United States is large enough for the minister to be concerned and to seek a solution.

[*Text*]

Mr. Rapp: Mr. Chairman, it is not my intention to prolong this debate on the estimates of the Department of Citizenship and Immigration. I listened very carefully to the minister's presentation on August 14 last on the subject of immigration and I was very pleased with what he said at the time; I am not going to refer to it although I have it before me in *Hansard*.

The only matter I would like to stress at this time is this. The department seems to have had the intention of bringing to Canada immigrants who are skilled, people with brains, ability and initiative, which is all to the good. But it is my opinion and also the opinion of many others in Canada that what should be done here is to give more opportunity to our own people to obtain such skill and ability, so they could make a better contribution to our economy. Three years ago the legislation we brought in to train the unskilled, and so on, was very helpful, but at the same time I should like to stress the point that the minister consider bringing in other classes of immigrants too. I particularly have in mind unfortunate people who come from iron curtain countries. Although these people may not have the skills the minister is looking for, I think nevertheless they would make good immigrants. From time to time we see press reports to the effect that some of these immigrants with skill and ability just use Canada as a stopover; but I am sure these people from iron curtain countries or even from other parts of Europe, although having no particular skills, would make good immigrants.

I was very much interested in the speech of the hon. member for Peace River, who listed all the contributions made in the past toward developing and opening up our country. We still have many of these areas in Canada which need to be opened up and developed. For this reason I should like to stress very emphatically to the minister that his department also give consideration to bringing into Canada more people who, although they may not have any skill or ability, still have a place in our immigration program and in our great country.

Mr. Barnett: Mr. Chairman, I should like to participate briefly in this discussion to deal with two points. First of all I should like to make some brief comments on the statement made by the minister in his opening remarks in connection with his visit to Hong Kong; and second I should like to indicate my support of the position advocated by my colleague for Vancouver East.

If I might deal with the second matter first, I noticed that in his earlier report the minister claimed a considerable improvement in the situation with regard to immigration to Canada from Hong Kong since the present government took office. I am not going to enter into any lengthy debate with him on the question as to how far those improvements have gone, but I do thoroughly agree with the contention of the hon. member of Vancouver East that there is still far too much impersonality and sheer inhumanity in the manner in which we are dealing with situations involving people and families so far as immigration from Hong Kong is concerned.

I could give some examples, as did the hon. member for Vancouver East, but I think that the particular examples which he gave were typical enough to illustrate the situation with which he and I as members of this house are confronted, so far as individual human and family situations are concerned. Therefore I will not take time to give any particular instances of my own, but I should like the minister to know that I feel the hon. member for Vancouver East was both factually correct and humanly correct when he advanced his earlier arguments.

I was very interested in the report the minister gave in his opening statement concerning

his visit to Hong Kong. I should like to say that both arising out of the very brief opportunity I had of seeing something of Hong Kong last year when on my way to the parliamentary conference in Kuala Lumpur, and as a result of the many discussions I have had with people of Chinese ancestry throughout the years, I honestly felt that the minister had come to some rather sound conclusions and had made some rather sound observations during his visit to Hong Kong. Personally I wish to express my appreciation of the kind of observation he made about the situation. Having said that I certainly wish to urge that the minister really follow through with some action based upon the information he gathered during that visit.

Other members have dealt with other aspects of the matter of Chinese immigration from Hong Kong. I am not going to repeat their statements or arguments but I should like at this time to draw attention to one particular factor that the minister mentioned, and I quote from his statement as found on page 6822 of *Hansard*:

> A serious problem for immigrants in Hong Kong is the necessity to visit various offices for medical tests and examinations. This is tedious, causes long waits and is expensive for the migrants.
>
> I am discussing with my colleague, the Minister of National Health and Welfare, the establishment of a completely integrated "one stop" medical centre in our immigration office in Hong Kong. This would greatly benefit the immigrants.

Arising out of some of the experiences I have had in attempting to assist people with immigration problems I would say to the minister that this would perhaps be the most immediately useful step that could be taken with respect to bringing about some rationality in the arrangements for handling immigration applications in Hong Kong. I think the the minister was being very modest and discreet when he pointed out that as the process has been operated in the past it has been expensive for the immigrants. While the minister did not spell it out, I am quite prepared to suggest that part of that expense has arisen out of a lot of underhanded dealings that have gone on in respect of people being able to secure the necessary medical clearance. In other words, bribery and corruption have been very much involved in the problem of getting the right kind of medical clearance for our immigration authorities in Hong Kong.

Without going into particular cases I can say I have been told stories that I think would horrify any of us. They involve what has happened to some of the people who have tried to get the necessary medical clearance in order to come to Canada. I am glad that the minister has taken particular note of this problem and proposes to do something about it. If he does not get the fullest co-operation from his colleague the Minister of National Health and Welfare, he can rest assured that he will find support in other quarters of the house.

Finally, before we conclude consideration of the estimates I should like the minister to report on a matter he did not touch on in his opening statement as far as I can recall. I refer to the question of immigration from our sister commonwealth nation, India. Some of us feel that here is one area where there still remain a good many unnecessary restrictions and discriminations. I should like the minister to report to us on his intentions in this connection and tell us what he feels should be done about immigration from that particular part of the world.

Mr. Winch: Mr. Chairman, there is one other facet coming under this estimate upon which I sincerely hope the minister will comment. The hon. member for Timiskaming referred to the policy in the past under which Chinese slave labourers were brought to Canada and which was sometimes referred to as the coolie contract system. We all hope those days are gone forever. However, I believe the minister is in a position to clear up certain allegations and rumours that have come to the attention of some of us. There is a rumour that a group of people in the lower mainland of British Columbia have toyed and are toying with the idea of trying to persuade the minister to allow them to bring in Chinese labour from Hong Kong under some kind of landed immigrant status for the purpose of doing backbreaking work in the lower mainland area of British Columbia. These individuals cannot get anybody in British Columbia to do the work, having regard to the conditions and the wages they are prepared to pay. It is further rumoured that a person or persons who should know better are directly or indirectly aiding and abetting the plan to introduce coolie contract labour into Canada. If this is so, I say it is a disgrace and it is disgusting.

I believe we should have an answer now. If these stories are mere rumours, then they should be immediately nipped in the bud, and that can be done by the minister stating whether or not this matter has been brought to his attention. If anything along the lines of the information which has come to my attention in the past few days has been sug-

gested, I should like to know what kind of shrift such a suggestion has received from the minister and what action he has taken.

[*Translation*]

Mr. Tremblay: Mr. Chairman, I would not want, on consideration of estimates relating to immigration, to give a detailed account of the lengthy statement I have already made on the urgent necessity of a progressive and dynamic Canadian immigration policy. I would not want to give a lengthy explanation of the administrative reforms already under way in the department to improve the efficiency of our various immigration offices around the world and also to set up new offices in order to bring into the country the immigrants we need so much.

Therefore, I will not go into the statement I made in the house on August 14 last when the first part of my estimates was considered. This afternoon I will only cover some of the points concerning especially certain hon. members who have suggested the setting up of a committee. First, I would like to say to the hon. member for Winnipeg North (Mr. Orlikow) that, like him, we recognize the need to make major amendments to the Immigration Act. It was said that one after the other all ministers of immigration assured the house of the need to amend drastically, even to revise entirely, the Immigration Act. And all the people of Canada, as well as the members of parliament, are still waiting.

If I add my voice to that of all the ministers of citizenship and immigration who preceded me, it is because I hope that, this time, major and essential amendments will be made to the Immigration Act, so that it will better meet the needs of the 20th century and enable Canadians to bring to our country even more immigrants than in the last few years and get them to benefit from the numerous advantages which will result from major amendments to the Immigration Act.

Some members, and in particular the hon. member for Peace River (Mr. Baldwin), have suggested that committees of the house should be set up, or at least a committee on which the various parties of the house would be represented, to study possible amendments to the Immigration Act. I am not going to make an immediate statement on behalf of the government regarding the propriety of establishing such a committee, but I would just like to tell the hon. member for Peace River and the other members who made the suggestion that I would personally like to receive, in one form or another, the suggestions or comments of all members, whatever their party, regarding the future policy to be followed for immigration.

It is my opinion that, in a field such as immigration, even if the government is responsible and should take the initiative of working out such a policy, the comments and suggestions of the other parties who may represent an important percentage of the population should not be overlooked. The hon. member for Winnipeg North mentioned, among other things, the problem of discrimination or alleged discrimination against the West Indies. In this connection, I can say that, contrary to what he thinks, there is no discrimination against the British West Indies. Those people have exactly the same privilege and right to apply for entry in Canada under the existing legislation, but since the same criteria of selection as for any other country in the world are applied, it often happens that people in those areas are unable to complete their studies and they find it difficult to meet the requirements imposed by economic conditions in Canada at the present time. Everybody agrees that in order to adjust yourself to the Canadian economy, which is highly industrialized, you need a minimum of capacity and knowledge. Thanks to that non-discrimination, we have considerably increased the number of immigrants we have been able to bring in from that part of the commonwealth. The number of immigrants from that part of the world in 1961 was 1,126; in 1962, 1,480 and in 1963, 2,200 immigrants.

There seems to be a tendency to increase immigration from that part of the commonwealth. I know that reference is sometimes made to the special program established in 1962 concerning domestic servants who qualify under that program to come to Canada. This should not be misunderstood. Immigration privileges granted to certain groups are over and above those we are offering all residents of other foreign countries. Our selective standards are lowered for special groups in order to help alleviate the shortage of domestics in Canada.

The hon. member for Winnipeg North mentioned the special problem of integration of new Canadians. Everybody will admit that, while contributing to preserve the heritage and identity of the various ethnic groups, we in Canada, whatever our nationality may be, will have to make a common effort to develop a Canadian feeling; and it is up to the citizenship branch to develop this feeling.

On the other hand, we may very well admit that each particular group wants to keep its

own particular culture and, as far as our services are concerned, we shall keep up this policy.

I would now like to mention the magnificent speech made by the hon. member for Lake St. John (Mr. Lessard), in which he, first of all, stressed the need for a positive and dynamic immigration, which this government is applying at this time, and second, the need to help the French speaking areas of this country welcome immigrants who would feel more at home in that part of the country than in any other.

Therefore, while our efforts are directed towards several European countries so as to obtain immigrants, I may say that we are paying particular attention to the Italian immigrants, more particularly those who live in certain parts of that country, like the north, which has not yet been regularly covered by our immigration services. And, in the light of what may happen in the next few months, we hope to be able soon to decide whether we should open up a new office, possibly in northern Italy, so as to have some particularly qualified Italians in that area, either in the industrial or in the specialized agricultural fields, come to this country to join the others.

Therefore, I assure the hon. member for Lake St. John that his suggestions will be taken into serious consideration.

I should like to comment on the suggestion by the hon. member for Vancouver East to pay special attention to the very difficult cases that are called sponsorship immigration. The officials of my department recognize that it is essential to establish general rules within which the thousands of requests made by Canadian citizens to bring in their relatives from various countries may be classified and examined.

On the other hand, it is realized that we are dealing with human beings, that we are not dealing with quantities or figures, but with human beings entitled to all the respect due to them, who very often find themselves in special situations because they come from foreign countries or belong to foreign cultures.

Therefore, I can assure the house that the departmental officials will always endeavour to examine sponsorship cases with dispatch and, second to deal with those various cases in a human way.

The hon. member for Timiskaming (Mr. Peters) pointed out, as did some other hon. members, the special problem raised by Chinese immigration. As hon. members know,

we have decided to put an end to the period that elapsed since 1960 in this country, which was called, in the department, the tolerance period for those who had committed infractions of the Immigration Act, but—and I insist on this because this afternoon, I think some hon. members did not quite understand the significance of the decision that was taken —we now have what is called the adjustment period and no date has yet been set to end this adjustment period.

We will decide later, in the light of future developments what action will have to be taken. We know that this adjustment period will have to end some day, but, in the meantime, all those who want to come to our office are free to do so and declare their true identity so that their status might be set straight.

Consequently, this period of adjustment goes on and I ask all hon. members who have contacts with Chinese communities to make all the required efforts so that the magnificent success we have had in the last few weeks, following the extension of the adjustment period will continue and that very soon all Chinese in Canada will be in good standing with the immigration authorities.

When we consider that sufficient time has elapsed, we will put an end to the adjustment period.

At this stage I wish to answer a question which the hon. member for Burnaby-Coquitlam (Mr. Douglas) has already put to me. I must tell him that when this adjustment period is to be ended, a waiting period will be established. In this way, some time will elapse between the announcement of the date when the adjustment period will end and the moment when it will actually be terminated.

And now, Mr. Chairman, before I resume my seat, I wish to answer two questions asked by the hon. member for Greenwood (Mr. Brewin).

First, the hon. member asked me when one might expect to receive the report of Mr. Sedgwick on the procedures used by the Department of Citizenship and Immigration as well as by the various courts, with respect to people against whom deportation orders have been issued. I am not in a position to give a specific date at present, but it is hoped that within a month and a half at most, Mr. Sedgwick's report will be received and, as I have already promised, this report will be tabled in the house and made available to all members so that they might submit recommendations later with a view to amending the Immigration Act.

The hon. member for Melville (Mr. Ormiston) asked me under which section of the Immigration Act two persons had been admitted in order to carry on their trade in Toronto in relation to trade union activities connected with Toronto's two main daily newspapers. I must tell him that it is under paragraph "H", section 7, of the Immigration Act that those two individuals have been admitted on a temporary basis, in order to perform a specialized trade, recognized as an unprohibited trade, under the Immigration Act.

Mr. Chairman, a few minutes ago, the hon. member for Comox-Alberni (Mr. Barnett) asked me what the present situation was with regard to India, as far as immigration is concerned. Here is the answer. In 1963, 860 citizens from India came to Canada, that is an increase of 575 compared with 1962.

As far as sponsorship is concerned, immigrants from India are in the same category as those coming from several Asiatic countries where the extension given to bring relatives over here is more limited than in the case of other countries.

On the other hand, special arrangements have been made with India which provide for the coming to Canada of a certain number of relatives, outside the general established rules.

Now, I shall say to the hon. member that I received recently a group of Hindus from British Columbia who submitted to me a report on the immigration problem in their country. I will look into this problem very carefully.

[*Text*]

Mr. Winch: Can the minister comment about the last intervention I made, concerning an allegation of an endeavour to import cheap labour?

[*Translation*]

Mr. Tremblay: Yes, Mr. Chairman, as the hon. member for Vancouver East said, we did receive requests from a group of British Columbia farmers to bring over Chinese workers without applying our usual selection standards.

After giving serious consideration to the proposal made to us, I replied a few days ago to the promoters of this project that, while we recognized the real difficulty they encountered in recruiting personnel to operate their various farms, on the other hand, we did not feel justified to make a special exception and lower our selection requirements in regard to that particular group of workers. As you know, Mr. Chairman, although we are willing to assist all particular groups who are in need of manpower, we have always insisted that such workers should be sufficiently qualified to be able to find jobs in other places besides the one from which the request originated. Adequate training is essential because they might have to take on a new trade or adapt themselves to new ones, if need be.

Therefore, we felt that this particular project did not deserve special attention and that, if some Chinese people could come, under present regulations, and were interested in working on those farms, they could always do so. But we did not think that we had to give special attention to this request.

[*Text*]

Mr. Orlikow: I wonder if the minister would give consideration to the suggestion which implicitly I made earlier, but which explicitly I shall make now, that he meet with the premiers of the West Indian members of the commonwealth to explain Canada's immigration policy with respect to immigration from the West Indies?

It creates a bad image for Canada when the premiers of other commonwealth countries, like the one I mentioned previously, have the impression and belief that it is easier for people from southern, eastern and central Europe to come to Canada, even though they are not citizens of the commonwealth, even though in many cases they do not speak English, even though they have not lived in a democratic society, than it is for people from the West Indies.

In my earlier speech I said I was satisfied that the attitude of the department is now much better than it was previously, but it is a serious matter that the political leaders of West Indian countries believe this country still discriminates against them. I do not suggest that the minister meet with these premiers tomorrow, or next week, but maybe this house will have a recess some time, at which stage the minister could make a trip to the West Indies and explain our immigration policy to political leaders there.

[*Translation*]

Mr. Tremblay: Mr. Chairman, I think this suggestion is most interesting, so much so that I have accepted to have lunch next week with the high commissioner of Trinidad, for the exact purpose of discussing the special immigration problems which this particular area of the commonwealth may present, with the idea that, on both sides, better

understanding could be reached as far as immigration policies to be applied are concerned.

[*Text*]

Item agreed to.

Citizenship—

5. Administration, operation and maintenance including grants and contributions for language instruction and citizenship promotion, $1,715,000.

Mr. Gelber: I should like to say a word about the problem of the adjustment of immigrants in Canada. According to the census of 1961, in the preceding 15 year period one and a half million immigrants came to Canada. Of these, 26 per cent settled in Toronto. I imagine that by now the number of immigrants in Canada must be in the neighbourhood of two million.

The particular problem which interests me is that of the adjustment of Italian immigrants in my own constituency in Toronto. Italian immigrants in my area come largely from small towns. There is not a great sense of community among them and we must always remember they have come to a country where both the customs and the language are strange. It is important that we should pursue an active policy designed to integrate them into the life of Canada. When one considers the history of immigrant communities, particularly in the United States in earlier periods, where problems of juvenile delinquency and crime caused by the failure of social adjustment have been so very serious, it is apparent that we have been fortunate in Canada inasmuch as immigrant communities here have been peaceable and orderly.

Nevertheless I believe we should be actively pursuing policies at the present time designed to integrate these newer elements into the life of Canada. It is important that a gulf should not arise between the children of immigrants and their parents. Children of course adjust themselves more quickly than older people, and if there is a disruption of the social pattern of the immigrant community there are bound to be social problems such as marked earlier years of this century in many immigrant communities.

It seems to me that schools could help in the integration not only of the children of immigrants but of immigrants themselves. The children should be made to feel that their parents are not centuries away from them. The strangeness of their parents to Canada should not be the means of creating a gulf between the generations. Parents should feel that the schools are sympathetic and happy institutions to which they can turn. I believe the department should encourage the provincial departments of education to give instruction particularly, I would say, in the Italian language and culture so that parents may feel that our institutions are sympathetic toward the country and the social background from which they came.

There are a number of institutions in my city which are helping to integrate the Italian community. Among these is the international institute of Toronto. I have here an interesting study put out by that institute and prepared by Edith Ferguson. It is called "Newcomers in Transition". The Italian community itself also has an association; the Italian immigrants aid society. The Italian community has grown ten times in extent in the last 15 years and the resources of that society are very modest indeed by comparison with the demands made upon them. Another organization which helps in this field is COSTI. Many immigrants require training, or re-training for special employment, particularly where some disability has prevented an immigrant securing employment in the normal way, and I am pleased that the province of Ontario is to make a grant to the work of COSTI.

This whole problem of immigration and the integration of immigrants would, it seems to me, justify the minister in issuing a white paper to give that leadership which many members of this parliament have urged. The hon. gentleman and his predecessor have given consideration to the problems I have brought to their attention. I was particularly pleased that the previous minister of immigration, now Minister of Justice, should have taken on his staff one of my constituents, Mr. Peter Bosa, a post-war immigrant. I think this is the first time in the history of this country that an immigrant of such recent date has been given responsibility in the administration of this government department.

May I say, in conclusion, that we should not consider the first generation of immigrants to be a lost generation. We should try to maintain cohesion between immigrants of the first and second generations and absorb them both as happily as we can into the fabric of Canadian society.

Mr. Rapp: I have a brief comment to make on this particular subject. I believe it is not sufficient for a new immigrant to know the language of the country when he applies for citizenship. I think it is important he should know a little of the history of Canada, particularly when there are two languages in this country of equal status.

Most people coming to Canada know there is freedom of speech and that a man can speak in any language he pleases. But they should know too that the English and French languages are in a special position and may be spoken on an equal basis. This information should in my opinion be made available to immigrants when they apply for their papers, possibly in the form of a pamphlet or brochure.

Mr. Brewin: We have heard a good deal about procedures in respect to immigration. I wish now to say something about procedures in respect to applications for citizenship. I want to urge the minister to look at the Canadian Citizenship Act and bring in amendments to it as well as to the Immigration Act.

It was said in a debate in the United Kingdom parliament that the test of a civilized country is its behaviour toward its citizens whatever their race, religion or colour. I suggest an even more searching test is the behaviour of a community toward aliens, particularly to those who are not legally or formally members of the community at all. Surely the time has come for us to scrutinize carefully the procedures by which aliens resident in Canada are admitted to the full privileges of citizenship. To refuse a person citizenship does not entail only legal disabilities. It involves in many cases a threat to livelihood; it might cause bitterness and lifelong resentment and place a stigma either real or imagined upon the character of the person to whom citizenship has been refused.

At the present time the procedures adopted under the Canadian Citizenship Act are in my view altogether unsatisfactory and give rise in many cases to unsatisfactory results. Section 10 of the act provides that an applicant for citizenship has a double barrier to overcome. First of all he has to satisfy a court—usually, I believe, a county or district court—of a number of things, including the fact that he is of good character. When he has done this and the court is satisfied in respect of these matters, he has the second barrier to overcome, namely that the minister under the act has an absolute, uncontrolled and unfettered discretion to grant or refuse citizenship, even if the court is satisfied about the applicant.

In refusing citizenship the minister does not have, because it is a matter of discretion, to state in any way the reason for his refusal. Those who have been familiar with these matters over the years—and I make no complaint about the present minister at all; it is the procedure I am complaining about—have had cases of people who have been denied citizenship and then not told the reason why. Then when they inquire into the matter they very often find citizenship has been refused because of some sort of misinformed police report. Perhaps there was a report of some earlier association with a so-called radical or subversive organization. This undisclosed reason is thought to be sufficient ground for depriving an applicant of citizenship.

I am not saying that if these matters came to the attention of the enlightened minister this situation would prevail; but because of the system this sometimes happens. We have all heard of many cases of these so-called security reasons being given as a basis for refusal of citizenship, when really they do not make any sense at all. I myself had the case of a gentleman—I will not name him here—who has since been granted citizenship by a predecessor of the minister. However, before that he was refused citizenship. This particular man was a world famous town planner; a consultant to two metropolitan areas; an adornment of the staff of one of our great universities. This gentleman was refused citizenship. He was not told why, first of all; but on the matter being pressed and an investigation being carried out it turned out that he had at one time been a resident of Soviet Russia, where he has carried out some of his professional work. In fact, he had been expelled from that country because he did not get along with the totalitarian regime there. However, when he came back to this country he was still a great believer in good relations between the U.S.S.R. and Canada and he joined some Canada-Soviet friendship organization; I believe he was a member of an organization called the Canadian Peace Congress and was active in that body. He made no bones about it; he was perfectly frank, open and aboveboard. This gentleman was for many years—not under the present regime—refused citizenship. I say in all fairness that the predecessor of the present minister reviewed the matter and changed the decision, with the good sense one would anticipate from the former minister and from the present minister.

But my point is that the system that was in effect excluded this man from citizenship for many years, and it was only after fairly forceful representations by a number of prominent citizens that this case was able to be reviewed. But what about the humbler person who is refused citizenship perhaps because he

belonged away back to some labour union that was accused of having a communist tinge to it, or something like that? And what of a person who does not have the power or influence to deal with these things and seeks to have a decision reversed?

I suggest to the minister that the present process should be reversed and the minister and his officials should be given, in the primary instance, the responsibility of deciding whether citizenship should be granted or refused, as in the case of immigration. I suggest they should be required, in the course of normal and fundamental justice and the rights enshrined in the bill of rights, and so on, to give, if they are going to refuse admission, the reason for so doing. If it is some deep dyed security source, perhaps they do not need to disclose the source. We have discussed that before and I do not want to go into detail. If citizenship is refused, then is the time to go, by way of appeal, to some tribunal. It might be the same tribunal that I hope the minister is going to set up in connection with immigration; it could be an immigration and citizenship appeal tribunal.

Mr. Orlikow: It could be similar to the one for government employees, although I hope it would be better.

Mr. Brewin: Yes, this would be an independent tribunal. I am not satisfied that the county court judges are in themselves the best people to deal with these matters. We have just had an illustration of one county court judge whose judgment did not seem to be too sound in this sort of matter. But if you had a tribunal composed of people who were chosen by reason of their sympathy, experience and understanding of these matters, which would review not one case but all cases, if there was some reason to doubt the decision of the minister in his discretion and if the person refused citizenship wanted to question the minister's refusal, he could go to this tribunal. This would reverse the present procedure, which I suggest does not make a great deal of sense; it does not make any sense to have the judge give his judgment first with a regard to a limited number of things and then to give the minister power to completely disregard that judgment without any reason being given. I suggest that this basic section of the act should be looked at very carefully by the minister, and when he is considering amendments to the Immigration Act he should also consider amendments to the citizenship act.

[Mr. Brewin.]

I believe, Mr. Chairman, that if time permitted I could give many instances of where this procedure would render a measure of justice that does not exist at the present time. I do not propose to take time to do that, but I believe that other members could tell the minister and his predecessors of many instances of refusal of citizenship where such matters should properly have been the subject of judicial review. My hon. friend the member for Hamilton South desires to question the minister in respect of a case that has received a good deal of attention recently. I refer to the Bergsma case in Hamilton. In that case, as we know, a judge apparently refused citizenship, or refused to say that a man was of good character because he refused to take an oath, on conscientious grounds as I understand it.

I would like to ask the minister—we have had some discussion of this case—whether he would like to make a statement to the committee as to whether the injustice to this individual is to be remedied, and what he suggests is a remedy that would see that this particular couple are not refused citizenship on grounds which have no substance whatever, and indeed are obviously inconsistent with the bill of rights.

Mr. Winch: Mr. Chairman, I most certainly want to add a few words with regard to the question raised by the hon. member for Greenwood on one phase of this estimate. This is a matter about which I cannot speak in as restrained a manner as the hon. member, because I am really burned up about it. I refer to the granting of citizenship. Over the past few years I have had a number of cases and I have found there is absolutely no difference in policy under the present minister when compared with the policies of his predecessors. I think one of the policies of the Department of Citizenship and Immigration is a disgrace to so-called Canadian democracy and should disgust everyone who believes in democracy. I refer to the principle that allows a person to be found guilty without trial; to be found guilty without a hearing; to be found guilty without a charge being laid; to be found guilty without the applicant concerned even knowing what the charge is. That has been the situation in the past, and it is the damnable situation that exists at the present time.

Even this year I have been battling over the months with the minister with regard to the granting of two certificates of citizenship to people in my own constituency. Both were recommended by the court for citizenship.

Both applicants had resided in my constituency for many years. One was of European ethnic origin, and the other of Chinese ethnic origin who first went to the United States and then came to Canada and has resided in Canada for many years. Both have professional status but have been denied citizenship by the minister's department.

What happens, Mr. Chairman, when these people want to know why they are refused and are given no reason? They do what I think is the logical and natural thing to do—they take it up with their member of parliament. These two applicants got in touch with me and said: "We have been recommended for citizenship. We have no knowledge of any wrongdoing. We are told it is not going to be granted, or that there will be a delay for one year". As their member of parliament I take up their case with the minister's department and I ask why they have been turned down. Correspondence goes back and forth; the minister writes me, I write him back and on we go. Then finally I receive letters in connection with each of these cases which say they are being held over for a review in one year's time, and the letters go on to say: "Of course, Mr. Winch, you know we cannot tell you the reason why".

I think something is definitely wrong when in a democratic country like Canada a person who, as far as he knows, is completely eligible for citizenship, is told by the minister he is not going to get it, that it is going to be postponed for one year and then reviewed, and is not told why, or whether any charge is made against him. Not only the applicant but his member of parliament is also told exactly the same thing. Of course the constituent blames his member of parliament for not being able to solve his problem or to find out what is the difficulty. I maintain that this is and has been a disgraceful situation. A person should know the reason why his case is held over. If something is wrong, surely the person concerned has the right to say whether it is true or false, and if it is false to demonstrate it is false. But as it is it hangs over him like a shadow and he cannot be blamed for wanting to know what kind of democratic country he has arrived in.

Another case I have been handling for months now concerns a woman who does not even want her name mentioned. As a matter of fact, she does not even want anything more to do with the matter. But her neighbours are more incensed than she is and I am almost being deluged with letters from these neighbours who maintain that this applicant is a wonderful person, that there is none better, and they hold me responsible to do something about it or at least to give them an answer. But I cannot do so.

Now, Mr. Chairman, surely this is a wrong procedure to adopt and a wrong attitude to take. It certainly is not democratic and is an out-and-out totalitarian dictatorship policy, and the policy of a police state. I contend that it is absolutely incumbent on each and every one of us to exercise every bit of influence on the minister to have this despicable policy changed, and changed immediately.

Mr. Favreau: Mr. Chairman, although these are not my estimates a question was raised in the house the other day which led to discussion between the minister and myself and I should like to deal with it very shortly at this point, if I may. It concerns the case of Mr. and Mrs. Bergsma, who are man and wife. The question was raised in the house yesterday by the hon. member for Hamilton South.

I think there is no question in the Bergsma case that an application for citizenship was refused because the Bergsmas refused to take the oath. What happened in this case, if my interpretation is correct, was that in the course of examining the two applicants the county court judge, who was sitting as a citizenship court, elicited from them an answer to the effect that they did not believe in God. Then presumably the county court judge said—I am not certain this is what happened but he probably said something like this—"If you don't believe in God then you won't be able to take the oath". However, the basis of his decision was that, in his opinion, because these persons happened to be atheists they could not be said to be of good character, which is a finding conditional upon which an application may or may not be granted by the minister under section 10 of the citizenship act. Therefore the matter never reached the minister, and will not reach the minister under the act unless some way is found to reopen the case in the citizenship court, or unless application is made after two years from date of refusal, which as the committee knows is the minimum period which must elapse between the denial of an application by the court and the filing of a new application.

As we are discussing this case in a very frank manner sitting as members trying to find the truth, may I say that it is my opinion, not as Minister of Justice but as a member of the bar—I am not giving any interpretation here of the meaning of a person of good character in section 10 of the act—that on the assumption that the judge was wrong in law

in deciding that a person may not be said to be of good character under section 10 of the act if the person concerned is an atheist, the judge concerned, or more precisely the citizenship court, may be directed to apply the law according to the interpretation which a higher court seized with the case would say is the right interpretation.

Hon. members may know of the decision of the supreme court of Canada in the Leon Ba Chai case, where the wife of an immigrant was refused landing permission by an inquiry officer under the Immigration Act on the basis that, she being a concubine, and he having another wife, she was not a wife within the law of Canada. The supreme court stated that under the regulations as they stood at the time, a legal wife was one who was a legal wife under the law of the country of the applicant. It was found that in China, if I remember correctly, if a husband took full responsibility for a concubine and their children then she was deemed to be a lawful wife.

The Supreme Court of Canada ordered the immigration officer in making his decision to apply the law in accordance with the correct legal interpretation stated in the supreme court judgment. Assuming that the interpretation was wrong in this instance, and I do not pass judgment on that, this would appear to be a relatively similar case.

All I want to say before taking my seat is that if I had an opinion to submit as a private citizen or as a member of the house I would say that the fact of a person professing not to be a follower of one given religion or another, or of any religion, ought not to be taken as an indication that the person so stating or so professing is not a person of good character.

Mr. Brewin: Mr. Chairman, I wonder whether I might comment on the minister's statement. I thank him for it and assure him that his words will reach the people concerned. I agree with his suggestions and views in the matter, and I would hope that if and when the case comes to be disposed of the representatives of the government who will appear in the case will be of the same view as the minister.

The Deputy Chairman: Order. It being five o'clock shall I rise, report a certain resolution and request leave to sit again at the next sitting of the house, or later this day as the case may be?

Mr. Badanai: Mr. Chairman, I wonder whether the committee would allow us to proceed in order to complete the estimates of the Department of Citizenship and Immigration.

The Deputy Chairman: If there is to be any discussion with regard to whether or not the committee should proceed beyond five o'clock it might be better procedure to do so with the Speaker in the chair.

Resolution adopted in committee of supply this day reported and concurred in.

The Acting Speaker (Mr. Batten): When shall the committee have leave to sit again, later this day or at the next sitting of the house as the case may be?

Some hon. Members: Now.

Mr. Favreau: Mr. Speaker, I think it is in order for me to report to you that by arrangement made with the house leaders of the various parties this afternoon private members' hour will be waived, and it would therefore be in order to pursue the discussion in committee of supply.

Mr. Herridge: Mr. Speaker, I am not objecting to the present suggestion, but I do want to say that I consider it is poor practice for members to continue to give up private members' hour. It is one of the few opportunities available to members to bring forward their bills and I hope this practice will not be continued.

The Acting Speaker (Mr. Batten): Does the house agree to go into committee of supply?

Some hon. Members: Agreed.

SUPPLY

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

Citizenship—

5. Administration, operation and maintenance including grants and contributions for language instruction and citizenship promotion, $1,715,000.

Mr. Orlikow: Mr. Chairman, I should like to rise at this time to add my voice to the opinions expressed by the hon. member for Vancouver East and the hon. member for Greenwood with respect to the subject of citizenship. I must say at the outset that I have not had the difficulties that the hon. member for Vancouver East seems to have had.

Last year I went to the former minister of citizenship and immigration with the case of a young man who had applied for citizenship, had been turned down by a previous minister and was applying again. Apparently he had

been turned down because at the age of 18, some 15 years earlier, he had belonged briefly to a fraternal organization which has been classified as being sympathetic to the communist party. I am not going to discuss now the question of whether it was properly classified.

I made representations to the minister about the case. I submitted to the minister letters from people who had known the young man in recent years in which they made it very clear that for a number of years he had not had any sympathy with communist ideas. The former minister considered the matter. It was still being considered when the present minister took office. I am happy to thank the former minister and the present minister for the fact that this young man was granted Canadian citizenship. But, Mr. Chairman, surely it is not important whether a particular member of parliament, no matter to what party he belongs or where he may sit in the house, who has a problem brought to his attention, gets a favourable decision from this minister or any other minister.

Mr. Winch: I will give you all my cases from now on.

Mr. Orlikow: I am quite happy to have the hon. member for Vancouver East look after his own cases. It seems to me that the right to citizenship is a very important right and that there are principles involved which we need to look at very carefully in the light of present conditions. I am not certain that the government would accept the fairly radical proposal made by the hon. member for Greenwood a few minutes ago, that a person should be presumed to be innocent until the people who accuse him can produce evidence that he is guilty. I know this is a cardinal principle of British justice, but it is one which it seems to me we ignore more and more as the years go by. But it does seem to me that a number of very simple principles should be embodied in our citizenship law and regulations, and applied in the administration thereof.

It seems to me that a person who applies for citizenship and is turned down should, as a most elementary form of justice, be given the reasons why his application has been turned down. I know that sometimes security matters are involved, and I am not saying that I agree with some people who have said that not only should the person be given the reasons why he has been turned down but he should have the right to be confronted by his accuser. I think members of the house will know that I have some slight reservations about the work of the R.C.M.P. in certain fields, but obviously if they or any other security agency have secret sources of information it would be ridiculous to expect them to come forward and confront the person who is having difficulty.

But I see no reason, Mr. Chairman, why a person who is being turned down for citizenship ought not to have the right to be given a general reason, because there have been cases in which mistakes were made. There have been cases of mistaken identity and cases where important changes in a person's thinking, for example, have taken place. Unless a person knows the reason he is being turned down, he cannot correct the misinformation upon which the department or the minister may be basing a decision.

In addition to that, Mr. Chairman, it seems to me that there ought to be an appeal procedure. This appeal ought to be to people who are not employees of the department, people who are separate from the department, and possibly people who have legal training. These people could look at the particular question in an impartial manner. I think it is only natural when a case goes step by step through a department for the departmental officials to lean rather heavily in favour of people who are working in the same department. It seems to me that there must be an independent tribunal established to hear cases, to get all the information and make a decision on that basis.

I should like to discuss one other point which I raised last year and which I know has been raised by other members. I do this despite the fact the people about whom I am going to talk have not come to me. I represent a constituency which, for many years, has had a large percentage of people who voted communist. It is a constituency in which a high percentage of people have come from eastern countries. They do not come to me very often with their problems because most of my political life, Mr. Chairman, I have been fighting communists. I do so now and I am sure that I will continue to do so in the future. I know that many of them in Winnipeg, in Toronto, in Port Arthur and other cities, having been here for more than 20 or 30 years, have applied for citizenship repeatedly and have been turned down. This simply results from the fact that they are, or even worse, Mr. Chairman, that they were at some point 10 or 15 years ago, members of the communist party or members of organiza-

tions close to the communist party, like the Ukrainian farmer-labour temple association—I think it is now called the workers benevolent association.

It seems to me ridiculous that we take this view. I am not thinking now of people who may be leaders in the communist party, because I am sure that the leaders of the communist party in Canada are all people who are citizens of or who were born in Canada. If a person were a member of the communist party 10 or 20 years ago, an ordinary person living in a city or town in Canada, and we turn him down for citizenship solely for that reason in 1964, it seems to me we only do so because we have very little faith in the basic strength of our democratic institutions. It seems to me ridiculous that this should continue. I urge the minister to give serious consideration to changing the standards or the principles which he uses in deciding this kind of thing.

I am not going to mention any names because they did not ask me to intercede for them. However I am thinking of two very prominent scientists, one in an eastern city and one in a western city. I am not going to be any more specific than that. They are eminent in their field and are doing very important scientific research which is very heavily subsidized by Canadian government agencies. They have been in Canada for much more than the required period of time and were landed immigrants, but up until this time have not had their applications for Canadian citizenship approved. Now, Mr. Chairman, I think that this is, to say the least, pretty shortsighted thinking on the part of the department. It seems to me that if we are going to live by those principles of democracy in which all of us in this house profess to believe, we ought to have confidence that our democratic way of life has the strength to stand up against a few who may be in this country who do not believe in it, but who believe in a different kind of society.

I noticed the hon. member for Regina City asked some questions about a professor from the Soviet union who is teaching this year in, I think, Regina college. The Winnipeg *Free Press*, with which I do not often agree, had a very good editorial in which they discussed this matter and in which they pointed out, I think rightly, that one professor who happens to be a communist from the Soviet union will surely not poison the minds or change the minds of many Canadian university students. I think the same thing applies with regard to citizenship, Mr. Chairman. I do not believe that if a few communists or ex-communists who are not citizens, who have been in Canada a long period of time, apply for citizenship which everybody undoubtedly gets unless he has committed a serious crime, they are going to hurt our democratic society. I would urge the minister to give serious consideration to rethinking and changing the policy which we have had in this country for many years.

[Mr. Orlikow.]

Mr. Olson: I only want to take a couple of minutes of the committee's time to draw again to the attention of the minister a problem that has been discussed at length by the hon. member for Winnipeg North. I do not advocate that there should be such a change in security regulations, that is regulations respecting security in Canada, that we do in fact take action that we may regret later. I do believe there are some cases, and I have one in mind, in which there has been injustice done in rejecting the application for citizenship. I simply cannot find justification for the grounds which may have been used in rejecting the application for citizenship. I should like the minister to know I have written him again today a private letter giving the name and some of the conditions, as I see them, connected with this application. I also want him to know this application for citizenship has been approved for the fourth time by the district court, and I hope he gives it reconsideration and, perhaps, a favourable response.

One thing I fail to understand in rejecting this kind of application for citizenship is that if this particular individual were doing something against Canada's national interests, there are provisions in our laws whereby we could deal with him effectively whether he is a citizen or not. Some of these people have been in the country for 30, 35 and 40 years, and if through that period of time there has been no record of engaging in subversive acts and there is some question as to the validity of the substance of the allegations, this should be taken into consideration.

Mr. Churchill: Mr. Chairman, I did not intend to intervene in this debate, except I heard the hon. member for Winnipeg North make a statement to which I hope the minister will reply. I do not want to misquote the hon. member for Winnipeg North, but I understood him to say that no serious damage would result if a university professor, who was an avowed communist, poisoned the minds of a few students under his direction.

Mr. Orlikow: On a point of privilege, Mr. Chairman, I of course do not have the *Hansard* of what I just said in front of me, but I do not think that I spoke so loosely that I said it would not be serious if a few minds were poisoned. I certainly did not intend to say that. What I intended to say, and what I say right now, is that I do not believe the fact that a professor from the Soviet union will be teaching at Regina college—with which decision I had nothing to do—will change the minds of any students at Regina college, or anywhere else.

Mr. Churchill: I did not know to whom the hon. member was referring. As I say, I hope I have not misquoted him, but I jotted down that phrase about its not being a serious matter if the minds of a few students were poisoned—or words to that effect. I hope the hon. member will check the *Hansard* record and make himself clear, because the real danger arises from what university professors might do to impressionable minds. I think the hon. member perhaps was not as careful in his use of language as he might have been.

Mr. Barnett: Mr. Chairman, I was sitting right in front of the hon. member for Winnipeg North while he was speaking and I am quite certain he did not use the words as suggested by the hon. member for Winnipeg South Centre.

Mr. Orlikow: I would like to say I only used the illustration of the professor who will be teaching this year at Regina college to buttress my argument with regard to the citizenship rights of people who have been here for many years. Obviously the decision regarding the coming of the professor to Regina college was made by the university authorities at Regina. I do not know whether any federal agencies were consulted and gave their approval or not. I certainly knew nothing about it, was not asked for an opinion, and gave no opinion. In fact I did not express an opinion until he was on the job.

Even though I was not asked for an opinion I reiterate that I do not think a mistake was made by inviting him, because I presume a Canadian professor went to the Soviet union to teach in a university there. I have enough faith in the young people of Canada to believe that they will not suddenly become communist because one professor of economics, or a professor in any other field, is teaching at a Canadian university.

Mr. Herridge: Will the minister inform the committee why the applications for citizenship in the numerous cases that have been mentioned this afternoon are refused, when a former Liberal government gave Canadian citizenship to four French citizens who belonged to the German gestapo, who had been sentenced to death by the French courts, and against the protest of the French ambassador of the day?

Mr. Nielsen: To say nothing of Hal Banks.

The Deputy Chairman: Shall vote No. 5 carry?

Mr. Herridge: Would the minister explain the reason for the different approach to these problems?

Mr. Churchill: While the minister is contemplating his answer I would hope, Mr. Chairman, I could say with regard to the remarks of the hon. member for Winnipeg North that I was making no reference whatever to anybody who was being employed at any university. In fact he had not mentioned that case earlier. I was making no comment on that. I was simply commenting on his use of language with regard to impressionable students.

Mr. Howard: Maybe hon. members will wonder why we make reference to something that happened in 1935, but it is necessary to give us a background appreciation of the difficulties that confront people of Chinese origin in their relations with the department of which the minister is head.

In 1935 in advertisements in newspapers in Vancouver—and I have seen them—the Liberal party published as part of its election campaign a promise to the people of the west coast to stop the yellow hordes from China and other Asiatic countries coming into Canada. One of the members of the Senate, Hon. Senator Reid, was a Liberal candidate at that time and was elected as a member under that sort of promise.

Anybody now looking back to that would think it was a disgusting and disgraceful policy for a political party to have, namely a policy of a campaign based purely and simply on raw, naked, racial discrimination. That is only one of the contributing factors to the difficulties which Chinese people have had for the past few years, and still have in their attempts to get some reasonably fair treatment from the government and the department on their immigration problems and citizenship matters. I think there has been a very unfair and unkind harassment by the

department of people of Chinese origin, both under the present minister and his immediate three or four predecessors.

A couple of years ago I made some inquiries about the number of people of Chinese origin who had had their citizenship certificates delayed in transmission to them after they had passed the appropriate examinations, and it transpired that there was an inordinately long delay, in some cases ranging up to three years, between the time these people had passed their examinations and the time the citizenship certificates were transmitted to them. Subsequent to that I asked for some information covering part of the period of time during which this government has been in office. I asked how many certificates had been granted to people of Chinese origin for each month since July 1, 1962—this was up to and including December 18 of last year—and what period of time elapsed between the passing of the examination for citizenship before a judge and the actual issuance of the certificate. In normal cases this is a relatively short period—a month, or something of that nature. But with respect to the Chinese people, during the period from July 1, 1962, to the end of September, 1963, there were 1,698 citizenship certificates granted, and one of these certificates had been delayed for a period of six years. Six years had elapsed between the time this person passed his examination and the time he received the certificate. Five of the individuals concerned had to wait more than five years. Seven of them had to wait for more than four years. Eighty five of them had to wait more than three years before certificates were given to them, and 42 per cent of the total had to wait for longer than a year before receiving their certificates. As I say, the delay is normally a matter of weeks or months.

The information I have just given reflects the extent of the harassment, the extent of the unfairness which is displayed toward people of Chinese origin, not only with respect to their attempts to come to Canada in the first place but after they have indicated their desire to remain in this country by applying for citizenship so as to become Canadians in the full sense of the word. Even after they have passed the examinations there is delay, further investigation and procrastination in the minister's department before these people are granted the piece of paper they have spent so many years seeking to obtain. I think this situation is a disgraceful blot upon the operations of a department of government which deals with human beings—

[Mr. Howard.]

a department which I for one would like to see eliminated at the earliest possible date.

I have drawn attention to the Liberal campaign policy of 1935 which was based on racial discrimination against people of Chinese origin merely to show that in the past, even before 1935, it has been the official policy of government to adopt a different attitude toward people who were born in Asian countries. This is one of the reasons why these people encounter the difficulties they now experience. It is one of the reasons the department appears to pay an undue amount of attention in a discriminatory way to people of Chinese origin. The minister's predecessor, who is now the Minister of Justice, received a brief almost a year ago to the day, on September 23, 1963, in the Hotel Vancouver in Vancouver, British Columbia—a brief from the Chinese Canadian citizenship association presented by Mr. Foon Sien who was at that time national executive secretary and special representative of the Chinese Canadian citizenship association. In this brief the association made extensive observations about the interpretation of the regulations as they existed then and as they exist now, pointing out that there is discrimination in the application of the regulations. This matter has been dealt with at great length by my hon. friend from Greenwood. The presentation also contained a request for a changed attitude by the government in relation to immigration matters.

I realize we are not dealing with this particular item at the moment so I will not discuss it further, except to say that briefs of this sort affecting people of Chinese origin have in the past been presented to governments on what is virtually an annual basis, each of them saying in effect the same thing, namely that the policy of the government as it relates to people of Chinese or Asiatic origin is different from the policy followed in relation to people coming from other parts of the world.

Even though I do not have any immediate hopes he will be able to accomplish this with the speed and alacrity many would like to see, I ask the minister to look into the citizenship section of this department and ascertain why it is that people of Chinese origin have had to wait in some instances for five and six years between the time they indicate their desire to become Canadian citizens and the time they are given the official document saying they have been accepted. One could discuss this question at great length. In essence, this discrimination exists and it has

permeated all the activities of the department. The only person who could change it is the minister. I hope he has the desire to make these alterations. I hope he will announce at some early date in the future that the policy and the real practice in his department will be to treat all people of whatever origin on the basis of equality. If this were done it would not be necessary to go through the same discussion in later years that we have had this afternoon.

Mr. Orlikow: I tried to follow the explanation of the Minister of Justice as to what took place in the Bergsma case as well as a non-lawyer can. May I express the hope that Bergsma will take the necessary steps to acquire citizenship. I am concerned about the possibility that the same thing will happen again in the future and I wonder whether the minister will consider issuing a directive to the citizenship courts making it clear that the question of the religion or non-religion of an applicant is not a factor in reaching decisions as to citizenship, and second that it should not enter into a formulation of character.

Mr. Barnett: Mr. Chairman, I would have been interested to hear the minister make some comment on the matters just raised by the hon. member for Skeena and the hon. member for Winnipeg North. However, apparently he does not wish to make a reply at the moment. I would like to recall to the minister's mind that when these estimates were previously under consideration I asked him a question concerning the part of the vote which I pointed out has the high-sounding title of grants for citizenship promotion. I mentioned then that it is proposed to increase this grant to $75,000 from the previous year's $37,000. I asked the minister whether this was the item in which was included provision for grants toward the establishment, maintenance and operation of Indian friendship centres; and if so, how much of it was proposed to be allocated for that purpose, and what amounts and in what ways other expenditures in the promotion of citizenship were to be made under this grant.

I did express the view that it did not seem a very large amount for the most important purpose suggested in the description of the vote. The minister said he did not have that information available at the time but that he would get it for me. I am wondering whether he has it now.

Mr. Tremblay: Yes, Mr. Chairman, I have the information for which the hon. member asked last time. This sum of $75,000 is requested to provide: (1) $30,000 in sustaining grants to major national organizations working in fields most closely related to the aims of the citizenship branch, namely the Canadian citizenship council and the Indian-Eskimo association of Canada; (2) $20,000 for the payment of grants to voluntary organizations in the field of citizenship promotion; and (3) $25,000 for the support of community projects, mainly friendship centres, related to the integration of Indians off the reserve.

This sum does not include the work undertaken by the citizenship registration branch to promote citizenship with regard to newcomers to Canada and their application for citizenship papers, nor does it include the language and citizenship classes available in many evening classes throughout Canada.

Mr. Barnett: In that connection, Mr. Chairman, could the minister explain to us where in the estimates we find the amounts which are spent through the registration branch in these other fields of citizenship promotion that he mentioned? Is this specifically set out, or is it merely part of some other general vote?

Mr. Tremblay: There is no specific item on that, Mr. Chairman. It is the responsibility of each citizenship court, and it is under the item concerning citizenship courts.

Mr. Barnett: I should like to ask the minister a further question, Mr. Chairman. He mentioned, if I heard him correctly, that the allocation out of this amount of $75,000 toward the functioning of Indian friendship centres was $25,000.

Mr. Tremblay: Yes, Mr. Chairman, it is $25,000.

Mr. Barnett: I should like to ask the minister whether this amount of $25,000 is designed merely to cover the federal assistance toward existing friendship centres, or is there any provision in this amount which would allow grants to be made toward any new centres which might be developed during the period of the fiscal year which this item covers?

Mr. Tremblay: Yes, Mr. Chairman, we have a certain amount that is not allocated to friendship centres which exist, and we have provision, if there are new requests, to give grants to such projects.

Mr. Orlikow: Mr. Chairman, the minister has not answered—or if he did, I did not understand the answer—the questions asked with regard to the Bergsma case. I did not

think it would take very long to give an explanation in this regard, because as far as I can tell hon. members of all parties who have commented on this case are agreed that the difficulty that arose with regard to the Bergsmas should not have arisen. I have read editorials in four or five Canadian newspapers on the matter. All the Toronto newspapers carried editorials dealing with the case and they were all unanimous that the Bergsmas should not, on the basis of information which is available, have had any difficulty in getting their citizenship papers. It seems to me that the committee ought to have some simple statement from the minister as to the steps the department thinks it can take and what steps it will take to try to ensure that the same situation will not arise again in the future with regard to other people.

[*Translation*]

Mr. Tremblay: Mr. Chairman, I can assure the hon. member that I am just as concerned as he and other hon. members are with the problem raised when, through a judgment of the court, the Bergsma couple were refused the right to obtain their Canadian citizenship because they had stated they did not belong to any religion.

I am glad, therefore, in co-operation with my colleague the Minister of Justice (Mr. Favreau), to take all necessary steps so that persons who do not profess any religion in Canada may not find themselves in a situation where they could be refused their citizenship certificates, even if the application of such a policy, in future, should involve bringing certain amendments to the citizenship act.

[*Text*]

Mr. Howard: Mr. Chairman, I wonder whether the minister would make some comment on the references to delays in transmitting citizenship certificates to people of Chinese origin after they have passed the examination. There have been complaints about the inordinately long period of time it takes to receive these certificates. I would also ask the minister to comment on this situation. It is my understanding that people who apply for Canadian citizenship and have their applications rejected are not given the reasons for such rejection. Would the minister tell the committee whether there is any intention on the part of the government to change this policy and give people the reasons why they are not acceptable as Canadian citizens.

[*Translation*]

Mr. Tremblay: Mr. Chairman, I must tell the hon. member that there has been no question of racial discrimination in the case of applications for citizenship from Chinese people.

If, as the hon. member has pointed out, there have been fairly long delays in many cases where Chinese applicants were involved, that is because, as he very well knows, serious irregularities have occurred in the past few years where Chinese immigration is concerned; this frequently involves investigations that last for months on end before the status of some Chinese person who wants to get his citizenship certificates can be cleared up.

As far as the administration of the department is concerned, I can assure the house that I shall order my officials to speed up as much as possible the handling of individual cases. We have no intention of discriminating against potential Chinese immigrants.

Coming now to the extremely delicate problem of the final information the minister must secure before granting a certificate of citizenship I should like to say to the hon. member that since the present government has taken over, we have been actively considering all the implications of the final information the minister must get before granting either citizenship or the status of a landed immigrant, and I hope it will be possible to improve substantially the methods used until now in that respect.

[*Text*]

Mr. Howard: Mr. Chairman, the other day as an aside the hon. member for Lapointe asked the Prime Minister whether or not it would be desirable for ministers to reply to questions in the same language in which they were asked, and the Prime Minister said yes, it seemed to him a reasonable suggestion. I would merely point out that that did not happen just now, and quite frankly I disagree with the contention of the Prime Minister that it was a reasonable suggestion. As far as I am concerned if any hon. member, especially the Minister of Citizenship and Immigration, desires to speak in English or French then that is his prerogative and right and it should be respected. I think the Prime Minister was in error the other day in saying that it was a commendable suggestion.

Mr. Benidickson: I think he meant a written question.

Mr. Howard: There was no indication that it was a written question whatever. The suggestion was to answer questions in the language they were asked in order to assist members. Whether they were written or oral is immaterial. I think this just proves the point that the Prime Minister once again was

wrong in being so ready to agree to something because it seemed the agreeable thing to do.

When I initially posed my question I did not indicate, or at least I did not intend to indicate, that the delays in transmitting certificates of citizenship to people of Chinese origin were based on an attitude of racial discrimination. What I said was that in the past there has been racial discrimination as the announced policy of the hon. gentleman's party, especially in 1935. Governments in the past have had an attitude toward people from Asia which is based purely on racial discrimination. Because this has existed in the past and was publicly announced as the declared policy of my hon. friend's party, albeit some 30 years ago, this is why Chinese people have the difficulties they have today in immigration matters and also in the granting of certificates of citizenship.

However, I do not imply that there does exist today an attitude of racial discrimination, and that this is why the certificates were being delayed in their transmission. It is merely the result of racial discrimination as the announced policy of my hon. friend's party some years ago, and also the result of the continued discrimination which exists in the citizenship regulations which the hon. member for Greenwood and others in this party have pointed out a number of times in the past.

Mr. Winch: May I say how pleased I am to hear the minister state a few moments ago that he hopes that marked improvements are going to be made in all phases of the granting of citizenship certificates. I sincerely hope that these marked improvements will be speedily brought into effect and that the first ones to be dealt with will be the cases he has been holding up which I have brought to his attention over the months.

Mr. Barnett: Mr. Chairman, like the hon. member for Vancouver East I was very interested in the announcement of the minister that some changes are going to be made with respect to the approach toward citizenship applications. I would pose to him what might be described as a theoretical or hypothetical question.

Mr. Howard: You will get a hypothetical answer.

Mr. Barnett: Let me tell the minister that I will refer him to an actual situation regarding a citizenship application with which I had the unhappy experience of dealing a number of years ago when one of his predecessors was in office. I should like to ask the minister, if this case were brought before him today, what would be his attitude toward it.

This case is one where a woman had applied for Canadian citizenship. She had come to Canada as a young woman with one child from a part of the world which now is known as Yugoslavia. Her husband had preceded her here and after he had become established to the point where he was able to do so, he brought over his wife with their first child who had been born after he had come to Canada. The rest of their family were all born in Canada. The husband had applied for and had been granted Canadian citizenship. Under the mistaken assumption that when he became a Canadian citizen she also became a Canadian citizen she had never made any formal application for citizenship. All her children are Canadians. The point in time was reached when she had grandchildren who are Canadians. Yet when she discovered that actually she was not officially a Canadian she made application, and her application was rejected, not once but two or three times. In each case she had to wait for a two year interval to elapse before reapplying.

I should like the minister to tell us whether the change in attitude which he has indicated will take place will be such that this woman, the only member of the whole family not a Canadian and who has spent two thirds of her life in Canada, will have no difficulty in getting her citizenship certificate.

Mr. Tremblay: I will be very glad to take a decision in this case on Monday, Mr. Chairman.

Item agreed to.

Indian Affairs—

15. Administration, operation and maintenance including expenditures on works on other than federal property, grants and contributions as detailed in the estimates, recoverable expenditures under agreements entered into with the approval of the governor in council with the governments of the provinces and territories and with local school boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, and to authorize the Minister of Citizenship and Immigration to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and notwithstanding any other act, the sale of such finished goods, $47,742,400.

Mr. Howard: Mr. Chairman, I think we should call it six o'clock. This is a most im-

portant subject and I do not think we could conclude it today, even if we sat till midnight.

Mr. Tremblay: May I thank all hon. members for the close co-operation I have received from them.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the acting house leader what is the business for next week as far as he can go.

Mr. Benidickson: Mr. Speaker, as announced by the Solicitor General last night the first item of business on Monday will be resuming the debate on second reading on Bill No. C-121, to provide for the extension of credit to farm machinery syndicates. That would be followed by item No. 49 on today's order paper, house again in committee of the whole on the resolution with respect to the Crop Insurance Act. The third item for Monday would be item No. 76 on today's order paper, second reading of Bill No. C-123, to amend certain acts administered in the department of insurance. The house leader informs me that if agreement could be obtained on Monday there might be a switch, in that Bill No. C-123 might follow the farm machinery legislation, and the Crop Insurance Act resolution would then be in third rather than second place.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

[The following items were passed in committee of supply this day]:

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Citizenship—

5. Administration, operation and maintenance including grants and contributions for language instruction and citizenship promotion, $1,715,000.

5a. Administration, operation and maintenance including grants and contributions for language instruction and citizenship promotion—To extend the purposes of Vote 5 of the main estimates for 1964-65 to include the grants to organizations detailed in these estimates, $72,300.

Immigration—

10. Administration, operation and maintenance, including trans-oceanic and inland transportation and other assistance for immigrants and settlers subject to the approval of treasury board, including care en route and while awaiting employment; and payments to the provinces, pursuant to agreements entered into, with the approval of the governor in council, in respect of expenses incurred by the provinces for indigent immigrants and $10,000 for grants to immigrant welfare organizations, $13,552,200.

HOUSE OF COMMONS

Monday, September 28, 1964

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

REMOVAL OF RAILWAY FACILITIES, TORONTO

Question No. 1,767—**Mr. Ryan:**

1. When will the railway sidings and rail loading facilities be removed from the area bounded by King street west on the north, Front street on the south, Simcoe street on the east and Spadina avenue on the west, in the city of Toronto?

2. What part or parts of the railway yards south of Front street, in the city of Toronto, between Yonge street and Bathurst street will be surplus to railway needs and be put up for sale?

Hon. J. W. Pickersgill (Minister of Transport): The management of Canadian National Railways advises as follows:

1. Concerning the area in Toronto bounded by King street west, Front street, Simcoe street, and Spadina avenue, now occupied by the Simcoe street freight shed facilities of the Canadian National, the question of whether these facilities will continue to be located in this block or will be relocated elsewhere is still under study. Relocation of the facilities now located in this block would permit removal of the present railway trackage there and make available the block for commercial redevelopment; however, whether this can be done would depend upon whether the shed facilities now sited there can be relocated elsewhere economically.

2. Concerning the area south of Front street between Yonge street and Bathurst street, now occupied for the most part by railway yards, the question of what alternative or supplementary uses of this property could be developed is at present under study by the three interested railways (Canadian National, Canadian Pacific and Toronto Terminals Railway Company). It is unlikely that portions of the area for which alternative or supplementary uses might be developed would be put up for sale, it being considered more likely that availability for such alternative or supplementary use would be through lease of the ground or aerial rights on a long term basis.

HEALTH GRANTS TO COMBAT ALCOHOLISM AND DRUG ADDICTION

Question No. 1,833—**Mr. Howe (Hamilton South):**

1. In each of the last five years, what proportion of funds granted under the national health grants program went to combat (a) alcoholism (b) drug addiction?

2. What was the specific purpose of each grant?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. (a) 1961-62, $2,095; 1962-63, $5,983. (b) 1959-60, $8,900; 1960-61, $6,377; 1961-62, $11,700; 1962-63, $11,173; 1963-64, $49,114.

2. (a) In 1961-62 a grant was made to the province of Ontario for a study by the Toronto psychiatric hospital of the mental effects of alcoholism.

In 1962-63 the abovementioned grant was continued and a grant was made to the province of Manitoba for a study, by the department of psychiatry of the University of Manitoba, of the relationship between alcoholism and tuberculosis.

(b) From 1959 to 1962-63 inclusive federal funds were provided for the support of a study of drugs with addiction liability, carried out at the St. Michel Archange hospital, Mastai, P.Q.

In 1961-62 a grant was made for the support of psychiatric and social work services of the narcotic addiction foundation of British Columbia.

In 1962-63 a grant was made to carry out an investigation under the direction of the department of pharmacology, University of Montreal, on the replacement of narcotic analgesics by the non-addiction inducing dimethyphenothiazines in man.

In 1963-64 a grant was made to assist in the establishment and operation of a narcotic addiction investigation unit operated by the alcoholism and drug addiction research foundation, Toronto.

FOREST ACCESS ROAD, BELLETERRE-LE DOMAINE, QUE.

Question No. 1,849—**Mr. Martineau:**

1. Has the province of Quebec applied to the federal government for a program under the provisions of the forest access act in the matter of construction of the highway joining Belleterre, Temiscamingue county and Le Domaine, Pontiac county?

Questions

2. Is there any agreement in the matter between the two governments and, if so, (a) what are the terms and conditions of such agreement (b) have any negotiations gone forward between the two governments in the matter of this highway from Belleterre to Le Domaine?

3. What assistance is the federal government prepared to render to facilitate the early construction of this highway?

[*Translation*]

Hon. Maurice Sauvé (Minister of Forestry): 1. Under the forest access section of the federal-provincial forestry agreement, the province of Quebec has requested federal financial participation in the construction of a forest access road between Belleterre, Témiscamingue county and Le Domaine, Pontiac county.

2. (a) Under the terms of the federal-provincial forestry agreement, the federal government will pay one half the cost of construction or improvement of any road or trail intended primarily for the protection and management of forest lands or the transportation of forest products removed therefrom.

(b) The province of Quebec has requested for the fiscal year 1964-65, that the federal government pay one half of an estimated expenditure of $100,000 for the construction of the first 15 miles of the road extending from Belleterre eastward to Lac à la Truite.

3. The federal government has accepted the proposal as presented by the province of Quebec.

[*Text*]

FEDERAL GRANTS TO McMASTER UNIVERSITY, HAMILTON, ONT.

Question No. 1,853—**Mr. Howe (Hamilton South):**

1. What federal funds have been made available to McMaster University in each of the last five years?

2. Specifically, to what purposes were these funds directed?

Hon. Maurice Lamontagne (Secretary of State): In so far as Atomic Energy of Canada Limited is concerned:

1. For the calendar years 1959-1963 inclusive, McMaster have received the sums of $8,000, $8,000, $8,524, $14,018 and $17,465 for a total of $56,007.

2. Contracts for the conduct of research.

In so far as the Atomic Energy Control Board is concerned: 1. 1959-60, $65,000; 1960-61, $100,000; 1961-62, $140,000; 1962-63, $140,000; 1963-64, $170,000.

2. All funds in each of the five years used for the purpose of research in the McMaster University reactor.

[Mr. Martineau.]

In so far as the Department of National Defence is concerned: 1. 1959-60, $67,425; 1960-61, $107,313; 1961-62, $108,190; 1962-63, $137,845; 1963-64, $129,985.

2. These grants were in aid of defence research projects.

In so far as the Department of National Health and Welfare is concerned.

1. Projects were submitted under the national health grants program and approved for the following payments to McMaster University during 1959-64: 1959-60, $24,669; 1960-61, $19,561; 1961-62, $8,370; 1962-63, nil; 1963-64, $3,632.

2. These funds were made available for the support of four research projects and for the employment of teaching personnel for the postgraduate training course in psychology at the department of psychology.

The research involved the following studies.

1. Analysis of the social organization of mental hospital wards.

2. The effect of training schedules on rigidity as manifested by normal and feeble-minded children to determine the effect of rigidity on discrimination reversal learning.

3. The effect of originality training on the learning of mentally retarded children; and

4. Clinical studies of circulation in cardiopathic patients using the inhalation radiocardiographic technique.

RESEARCH INTO LEUKEMIA DEATHS

Question No. 1,868—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research into the causes of the consistent increase in leukemia deaths in Saskatchewan?

2. Is the government conducting or supporting research into the causes of the recent serious increase in leukemia deaths in Prince Edward Island?

3. What have been the results of any such investigations?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. No.

2. No.

3. See answers 1 and 2 above.

DEFENCE RESEARCH BOARD—EMPLOYEES LEAVING

Question No. 1,871—**Mr. Howe (Hamilton South):**

1. During the last six months, how many employees have left the defence research board?

2. What was the name and reason for departure of each?

3. Which of these former employees is now receiving a pension?

Hon. Paul Hellyer (Minister of National Defence): 1 and 2. One hundred and fifteen and four died. Reasons given for departure

were: health, five; retirement, nine; personal, 16; other employment, 57; further education, four; marriage or household duties, 16; lay-off, four; leaving Ottawa, two; released, two. It is not in the interests of former employees to make the reason given by each employee for departure publicly known.

3. The nine people who retired, and three who left for health reasons are in receipt of pension.

FILLING OF VACANCIES UNDER QUEEN'S PRINTER

Question No. 1,881—**Mr. Herridge:**

Is it government policy not to fill vacancies caused by retirement or resignation from any position under the jurisdiction of the queen's printer?

Hon. Maurice Lamontagne (Secretary of State): The answer is no.

CONSTRUCTION OF LOW RENTAL HOUSING PROJECTS

Question No. 1,895—**Mr. Latulippe:**

1. How many dwelling units were built with Central Mortgage and Housing Corporation subsidies or credits, 75 per cent of which are paid by the federal government for the renewal of slum areas and the construction of low rental housing projects?

2. How many such dwelling units were built (a) in the province of Quebec (b) in the province of Ontario (c) in the constituency of Compton-Frontenac?

3. What was the federal government's share in such projects (a) in the province of Quebec (b) in the province of Ontario (c) in the constituency of Compton-Frontenac?

4. How many dwelling units are being built under the provisions of the same act (a) in the province of Quebec (b) in the province of Ontario (c) in the constituency of Compton-Frontenac?

Hon. J. R. Nicholson (Postmaster General): 1. Canada—10,151 total units completed as of July 31, 1964.

2. (a) 796; (b) 6,199; (c) nil.

3. Capital expenditures—federal government share (up to July 31, 1964), (a) $7,971,-254.08; (b) $53,001,829.42; (c) see answer to 2(c) above.

4. (a) Nil. (b) 275 units under construction as of July 31, 1964; (c) nil.

Note: The above figures relate to federal-provincial public housing projects built outside redevelopment areas as well as those built within these areas.

ANIMAL EXPOSURE TO EXPERIMENTAL BLAST, SUFFIELD STATION

Question No. 1,900—**Mr. Howe (Hamilton South):**

1. In the t.n.t. blast experiment at the Suffield experimental station in Alberta on July 17, 1964, were animals exposed to the blast by any research team and, if so, for what purpose?

2. What kinds of animals were used and how many of each kind?

3. How were these animals used or disposed of after the experiment?

Hon. Paul Hellyer (Minister of National Defence): 1. Yes, to take advantage of an opportunity to expose animals, the weights of which bracket the human body weight, in an environment free of nuclear and thermal radiation giving a blast-pulse similar to a kiloton weapon.

2. Twenty sheep, 108 goats and 24 cattle.

3. Observations of effects on the animals were recorded immediately. Any animal with evidence of painful injury was anaesthetized while being examined. Survivors were killed painlessly by intravenous administration of membutal. All animals were also studied by post mortem examination. After post mortem examination the carcasses were buried.

VISIT OF CANADIAN STUDENTS TO CUBA

Question No. 1,901—**Mr. Coates:**

1. How many Canadian students were granted visas through the Department of External Affairs to visit Cuba in June, July and August, 1964?

2. To what extent were these visits financed by the government of Cuba?

3. Is there any correspondence, or were there any verbal discussions with representatives of the government of Cuba and with officials of the Department of External Affairs regarding such arrangements?

4. What was the proposed purpose of the visits?

5. What are the names and addresses in Canada of those to whom visas were granted?

Hon. Paul Martin (Secretary of State for External Affairs): 1. None. Canadian citizens do not require exit visas or permits to leave Canada. The issuance of entry visas if required for the admission of Canadians to another country is the responsibility of the authorities of the country to be visited.

2. Publicity issued by the fair play for Cuba committee indicated that the Cuban government was providing transportation and accommodation for the students.

3. No.

4. The fair play for Cuba committee stated in certain of its publicity material that a purpose of the tour was to permit the students to acquaint themselves with developments in Cuba.

5. Answered by No. 1.

COST OF MENTAL ILLNESS

Question No. 1,908—**Mr. Orlikow:**

1. What is the direct cost of mental illness in Canada for the last year for which figures are available including hospital care, medical care, and medication?

2. What is the indirect cost of mental illness in Canada for the last year for which figures are

available as a result of loss of earnings by patients in hospitals and patients from industry?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. The total direct cost of mental illness is unknown. The operating expenditures reported by public mental institutions in 1962 amounted to $141,600,000. The operating cost of psychiatric care in general hospitals for that year (excluding medical care) can be estimated at $17,500,000. The direct cost of medical care and medication outside mental institutions is not known.

2. Information on the indirect cost of mental illness in Canada is not available.

REDUCTIONS IN MENTAL HEALTH GRANTS

Question No. 1,909—**Mr. Orlikow:**

1. During the last fiscal year, how many projects were not approved, or reduced in amount, because the Department of National Health and Welfare did not have funds allocated to assist the provinces with an orderly development of their mental health programs?

2. During the last fiscal year, how many hospital construction projects have been refused, or reduced in amount, because the Department of National Health and Welfare did not have funds allocated to assist the provinces with an orderly development of hospital facilities?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. None. The provinces submitted projects for the development of their mental health programs within the amounts of allocation for the year 1963-64.

2. None. All projects submitted by the provinces for federal assistance on behalf of hospital construction have been approved under the terms of the hospital construction grant. It is understood that some provinces have established priorities in the submission of projects and resulting payments under this grant.

MENTAL HEALTH TRAINING PROGRAMS

Question No. 1,911—**Mr. Orlikow:**

1. What was the number of training programs, bursaries, and short courses in the field of mental health in each of the past ten years?

2. What was the total amount available in mental health grants for each of these years?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare):

	1.		2.
	Training programs approved	Bursaries approved	Short courses approved	Amount available
1954-55	22	344	154	$ 7,234,868
1955-56	18	336	155	7,234,868
1956-57	17	333	156	7,234,868
1957-58	17	358	194	7,234,868
1958-59	19	379	147	7,234,868
1959-60	20	394	196	7,234,868
1960-61	22	409	178	8,765,391
1961-62	20	398	218	8,765,391
1962-63	20	393	163	8,765,391
1963-64	18	406	164	8,765,391

PUBLIC USE OF ST. HUBERT AIRPORT

Question No. 1,914—**Mr. Rondeau:**

Will the R.C.A.F. airport located at St. Hubert, P.Q. soon be converted into a civil airport while still remaining available to the air force and, if so, when will the airport be available for public use?

Hon. Paul Hellyer (Minister of National Defence): The transfer of responsibility for the St. Hubert airfield to the Department of Transport was announced on December 5, 1963. However, subsequent developments have resulted in further discussions taking place between the two departments and transfer of the airfield has been deferred for the time being.

RESEARCH INTO SUICIDE CAUSES

Question No. 1,917—**Mr. Mather:**

1. In British Columbia, and in Canada, what has been the death rate from suicide in each of the last ten years?

2. Is the government conducting, or lending financial support to, research into the causes of the high rate of suicide in British Columbia and, if so, at which institutions and under whose direction is such research being conducted?

3. What have been the results to date of such research?

4. What is the annual cost to the government of such research?

Questions

Hon. Maurice Lamontagne (Secretary of State): 1. Suicides and rates (per 100,000 population) for British Columbia and Canada 1954-63:

	British Columbia		Canada	
	Number	Rate	Number	Rate
1954	178	13.7	1,104	7.2
1955	156	11.6	1,106	7.0
1956	173	12.4	1,226	7.6
1957	163	11.0	1,247	7.5
1958	172	11.2	1,271	7.4
1959	179	11.4	1,287	7.4
1960	162	10.1	1,350	7.6
1961	193	11.8	1,366	7.5
1962	171	10.3	1,331	7.2
1963	221	13.0	1,436	7.6

2. No.

3 and 4. See answer 2 above.

REPAIRS TO GOVERNMENT WHARVES, KINCARDINE, ONT.

Question No. 1,918—**Mr. Loney:**

Is the Department of Public Works considering any construction, renovation or repairs at the government wharves at Kincardine, Bruce county, Ontario?

Hon. J. P. Deschatelets (Minister of Public Works): Reconstruction and repair work on our marine works at Kincardine are under consideration.

REPAIRS TO GOVERNMENT WHARVES, PORT ELGIN, ONT.

Question No. 1,920—**Mr. Loney:**

Is the Department of Public Works considering any construction, renovation or repairs at the government wharves at Port Elgin, Bruce county, Ontario?

Hon. J. P. Deschatelets (Minister of Public Works): Repairs to 220 lineal feet of the south breakwater are presently under way. In addition an irregular area is being dredged in the southwest corner of the harbour adjacent to the south breakwater and steel sheet pile wall.

VETERANS RECEIVING 100 PER CENT PENSION

Question No. 1,922—**Mr. Lessard (Lake St. John):**

How many veterans receive 100 per cent pension in each provinces?

[*Translation*]

Hon. Roger Teillet (Minister of Veterans Affairs): Canadian pension commission—

Veterans receiving disability pension at the rate of 100 per cent as at March 31, 1964, by province:

Province	Number of pensioners
Newfoundland	67
Prince Edward Island	64
Nova Scotia	358
New Brunswick	244
Quebec	725
Ontario	2,198
Manitoba	499
Saskatchewan	274
Alberta	469
British Columbia	932

[*Text*]

SEAT BELTS ON MILITARY VEHICLES

Question No. 1,928—**Mr. Grafftey:**

Are all military vehicles required to be equipped with seat belts and are all military personnel required to make use of said seat belts when travelling on public highways and public roads?

Hon. Paul Hellyer (Minister of National Defence): It is now approved policy that seat belts will be fitted in vehicles which normally are required to travel on the highway and in some special purposes vehicles. The implementation of this policy is at different stages, depending on receipt from the manufacturers and establishment of the requirements.

Where service vehicles are equipped with seat belts, the driver shall have his safety belt properly fastened at all times while operating the vehicle and passengers riding in these vehicles are to be advised by the operator to fasten their belts.

U.S. BONDS RECEIVED UNDER COLUMBIA RIVER TREATY

Question No. 1,929—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

What are the maturity dates and interest rates of the issues of United States government bonds in which the Canadian government has invested United States funds received on account of the Columbia River treaty?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance):

Amount	Maturity Date	Rate of Interest %
$30,000,000	Nov. 1, 1965	4
30,000,000	Nov. 1, 1966	4⅛
30,000,000	Nov. 1, 1967	4¼
30,000,000	Nov. 1, 1968	4¼
30,000,000	Nov. 1, 1969	4¼
30,000,000	Nov. 1, 1970	4¼
23,929,534.25	Nov. 1, 1971	4¼
$203,929,534.25		

Questions

WHARF MAINTENANCE, ST. MARTINS, N.B.

Question No. 1,931—**Mr. Bell:**

With respect to the wharf and/or breakwater at St. Martins, Saint John county, New Brunswick, what maintenance and repair work has been completed, including the expenditures, and what is planned for the future?

Hon. J. P. Deschatelets (Minister of Public Works): Wharf: repairs were carried out during the fiscal year 1963-64 at a cost of $17,-165.64.

West breakwater: repairs now underway by contract at a cost of $34,465.

East breakwater: repairs being considered for 1965-66, subject to funds being provided.

POST OFFICE CONSTRUCTION, CRAPAUD, P.E.I.

Question No. 1,938—**Mr. Macquarrie:**

1. When was land acquired for the erection of a post office at Crapaud, Prince Edward Island?
2. What is the area of the land acquired?
3. From whom was it acquired?
4. What amount was paid for the land?
5. At what date was construction commenced and what is completion date?
6. What are the dimensions of the building?

Hon. J. P. Deschatelets (Minister of Public Works): 1. On February 14, 1964.

2. 7,500 square feet.

3. From Mr. A. P. Simmons.

4. $1,000.

5. Work commenced in March 1964 and was completed in September 1964.

6. The dimensions are 24′ x 20′.

*ADDITIONS TO CANADA COUNCIL ENDOWMENT FUND

Question No. 1,940—**Mr. Knowles:**

1. Has the government given consideration to the request of the Canada council for additions to its endowment fund to enable the council to extend its work along the lines set out in its brief to the government, dated March 3, 1964 and, if so, what decision has been made?
2. If no favourable decision has yet been made, is the matter still under consideration?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): This question is in two parts. The answer to the first part is yes, and the answer to part 2 is yes.

Mr. Stanley Knowles (Winnipeg North Centre): On a question of privilege, how can "yes" be a satisfactory answer to the question "What decision has been made?"

Mr. Stewart: I will certainly have to ascertain how "yes" would be a satisfactory answer to the question as put.

[Mr. Pennell.]

[Later:]

On the orders of the day:

Mr. Stewart: Mr. Speaker, may I respond to the point of privilege raised earlier by the hon. member for Winnipeg North Centre concerning the answer to starred question 1,940. I now have had a chance to consider the suitability of the reply. I think if the hon. member will examine the two affirmative replies given, he will understand immediately.

Mr. Knowles: May I ask a supplementary question related to the reply just made by the parliamentary secretary. Since the question we are discussing, starred question No. 1,940, asks whether consideration has been given to certain matters, and then adds these words, "If so what decision has been made," how does he construe "yes" as a satisfactory answer to that? I should like to know what decision has been made.

Mr. Stewart: There are two parts to the question. The second part, as put down by the hon. member himself, reads:

If no favourable decision has yet been made, is the matter still under consideration?

The answer to the second part was "yes".

NATIONAL NUCLEAR FORCES WITHIN NATO

Question No. 1,987—**Mr. Gray:**

What was the latest statement of Canadian policy on the question of the creation of national nuclear forces within NATO?

Hon. Paul Martin (Secretary of State for External Affairs): In my speech to the Atlantic treaty association I made the following remarks with regard to national nuclear forces:

The fact of the matter, then, is that some western European countries feel that they should have a greater share in the military direction of the alliance. Some of these countries have tried to meet this problem by creating a national nuclear force. This is not, however, a feasible course for most members nor do we regard it, on balance, as a desirable course, certainly for us, to follow.

These are the actual words that were used in the speech to the Atlantic treaty association and are in accordance with established Canadian government policy.

QUESTIONS PASSED AS ORDERS FOR RETURNS

SALE OF CARIBOU AIRCRAFT TO INDIA

Question No. 1,744—**Mr. Nesbitt:**

1. In April or May, 1963, was a loan made to India in connection with the sale of a number of Caribou aircraft?

2. What were the terms of the sale of these aircraft and what was the number of aircraft involved?
3. What were the terms of the loan?
4. Have any of these aircraft been delivered to India and, if so, how many?
5. Have any repayments been made with respect to this loan and, if so, on what occasions and what were the sums involved?

Return tabled.

TRANS-CANADA HIGHWAY, LAKEHEAD TO MANITOBA

Question No. 1,764—**Mr. Fisher:**

1. What are the specific sections of the trans-Canada highway completed west of the lakehead to the Manitoba boundary?
2. What were the dates of completion, the names of the contractors and the level and percentage of the federal contribution on each contract?
3. How many times and at which intervals, does the federal authority examine the completed contract sections to determine the quality of the work and the way it is standing up to conditions?
4. On how many new sections has the government found the road breaking up and in need of considerable repair?
5. If the federal authority does not follow up the wearing quality of the construction, what information has it from the provincial authority, on the state of these completed highway sections?
6. What portion of the mileage of this stretch is completed to trans-Canada standards?
7. What portion is now under construction and what are the target dates for completion of the remaining unfinished portions, in so far as the federal authority is aware?
8. Is there any simple explanation for the many years it is taking to complete this section of the highway?

Return tabled.

EXTERNAL AFFAIRS

CYPRUS—EXTENSION OF TERM OF PEACE KEEPING FORCE

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I heard over the radio that the Secretary of State for External Affairs intended to make a statement today with regard to the Cyprus force. I would ask him whether what appeared in the press, that there is to be an extension, is correct; and whether his attention has been directed to articles in the New York *Times* and other influential papers setting out contributions which various countries have made to the Cyprus force, together with promises for the future, but making not one reference to Canada, the one country which seems to be paying more for its whistle as a member of the United Nations than any other in this connection.

Hon. Paul Martin (Secretary of State for External Affairs): I fully share the right hon. gentleman's irritation over this inexcusable failure to note the contribution made by Canada in the Cyprus peace keeping operation, which, I think I may be allowed to say on behalf of the country, is a contribution exceeded by that of no other nation.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): The United Nations security council, as the right hon. gentleman has just indicated, adopted a resolution late Friday afternoon extending the term of the United Nations force in Cyprus. Following receipt of the official request from the secretary general over the week end that Canada should continue to participate in the force for a further three months, the government has authorized me to inform the secretary general that Canada is prepared to do so on the same terms that applied to the Canadian contribution in the first two three-month periods.

As a result of this decision arrangements for the rotation of the Canadian contingent are now proceeding, and my colleague the Minister of National Defence advises me that the first flights left this morning. The first battalion of the Canadian Guards will be going to Cyprus to relieve the first battalion of the Royal 22nd regiment, the Van Doos, and a reconnaissance squadron of the Lord Strathcona Horse will relieve the reconnaissance squadron of the Royal Canadian Dragoons.

I am sure the house would wish me to take the occasion of the return to Canada within the next week of members of the Royal 22nd regiment and the Royal Canadian Dragoons to say how very proud the people of Canada are of the exemplary way in which the members of these famous units have carried out the difficult and delicate duties which have been entrusted to them.

Mr. Diefenbaker: The words of commendation for the force which the hon. gentleman has used are, of course, worthy of the support of all hon. members and of Canadians as a whole. I think the commendation is all the more deserved because of the fact that this United Nations force has been hobbled from the start, and has about it only the veneer of effectiveness without the necessary powers to carry out its responsibilities.

I would ask the minister in this connection why it is that in all the press reports I have been able to read, in the New York *Times* particularly, there is no reference to any request on the part of Canada, which has the

largest force of all on the island, for any increase or expansion of these powers.

Mr. Martin (Essex East): I do not agree with the right hon. gentleman that the force has been hobbled, or whatever the word was, because I am sure the evidence reveals that but for the United Nations force, in which Canada has played so distinguished a part, there would have been a deterioration that might well, both at the beginning before the force was established and afterward, have led to war.

As the secretary general said in the report which he circulated 10 days ago, the presence of the force was, in his judgment, vital for the maintenance of conditions that could lead to the avoidance of war and produce a situation that might encourage satisfactory results from mediation. I may say that last Friday I met with Colonel Amy, the officer in charge of the Canadian contingent, and from what he told me, as I am sure from what he has told my colleague the Minister of National Defence, there is no doubt that the United Nations force has, notwithstanding the great difficulties it faced, made an indispensable and necessary contribution in that troubled island.

My right hon. friend says he saw no reference in the newspapers to the added powers of the force.

Mr. Diefenbaker: No; the request from Canada.

Mr. Martin (Essex East): To the request from Canada. As my right hon. friend knows, the secretary general did make a statement in the security council in which he referred to the consultations he had had with participating governments, including Canada—which I may say has been very active in this regard—on the conditions which he laid down and which are embodied in the notation of the resolution passed by the security council on Friday last. The security council noted the secretary general's request for full freedom of movement for the force, authority to remove military installations, and authority to separate opposing forces and create buffer zones.

It is significant in this context that the security council resolution containing such a clause received for the first time the unanimous approval of the members of the council, including the Soviet union and Czechoslovakia. It should also be noted that in the course of the debate the secretary general received explicit support for his proposals regarding these conditions from a majority of council members and particularly that, in a statement he made after the resolution was passed, he reasserted his intention to continue to seek full freedom of movement for the force.

In these circumstances the secretary general will, in Canada's view—and we have been so advised by him—be justified in proceeding on the basis that the mandate of the force has been reinforced by the security council's deliberations on his proposals. He will now attempt to create more effective operating conditions for the force.

Mr. Diefenbaker: Mr. Speaker, after the removal of the words of lullaby I want to ask the minister this question. I have before me the resolution and the notation. Has there been any increase or expansion of the powers? That is the simple question that I ask.

Mr. Martin (Essex East): Mr. Speaker, I do not want to be unduly severe with my right hon. friend, and I think I had better take his strictures in the spirit in which they have been offered. As my right hon. friend knows, there was a discussion among the participating countries for a period of four days regarding a resolution that would set out explicitly the powers which were sought and referred to by the secretary general in the report that he circulated some 10 days ago. It was not possible to get consent to this resolution without running the risk of a veto. Rather than run the risk of a veto, which would have meant there would have been no renewal of the mandate, the secretary general agreed to a resolution in terms similar in their generality to the resolution of March 4.

In this resolution of Friday last, notation was made of the report of the secretary general, particularly in regard to the enlarged powers sought by him. He likely takes the position, as he publicly indicated afterwards, that, as there was no opposition to this procedure, he is acting on the assumption that his mandate included these enlarged powers. This is a technique which has often been resorted to at the United Nations. It is the only technique that is available in the face of the potential use of the veto. I think it was a constructive course of action and I am sure the secretary general, backed up by all who support him, has done everything he can to deal with this difficult situation. I am satisfed that the right course has been followed.

Mr. Diefenbaker: So the answer is no.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I would like to direct a further question to the Secretary of State for External Affairs.

In view of the fact that he announced that there was a rotation among the Canadian troops, does he intend to suggest to the United Nations that Canadian troops rotate with troops of other member countries, because, according to *Maclean's* French edition, the most thankless tasks were assigned to the Canadian troops, while the British, Finnish and other troops were there almost as tourists?

Mr. Martin (Essex East): Mr. Speaker, I think that the answer might be in the affirmative, but I would like to examine anew the terms of the question which the hon. member just asked me.

[*Text*]

Mr. A. B. Patterson (Fraser Valley): A supplementary question. I wonder whether the Secretary of State for External Affairs could advise the house whether the problem of financing the peace keeping operations in Cyprus has been solved, and whether the Soviet union has indicated its intention to make any contribution in this matter.

Mr. Martin (Essex East): Mr. Speaker, the Soviet union has not indicated its intention to make any contribution. The governments of the United Kingdom and the United States are making sizeable, and the largest, contributions to the voluntary fund. Canada, as I indicated a moment ago, along with Ireland, is continuing to pay the costs of our contributions to the operation. The secretary general, however, was forced to announce—I regret that he had to do so, but it shows the state of international acceptance of United Nations obligations—that unless the fund was large enough he might have to withdraw the force before December 26. The financial situation of the United Nations is such that he had no alternative but to make this announcement. I would hope that other countries in the United Nations will follow the example of Canada and Ireland and other countries and assume obligations which under the charter are legally imposed upon them as well as upon us.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, in view of the commitment of Canadian troops to Cyprus for another three months, which makes a total of nine months, I would like to ask the Secretary of State for External Affairs if he is prepared to give the house an estimate of the cost that will be much more accurate than his completely erroneous estimate of July 28?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend always clothes a fairly intelligent question with unnecessary abuse. The Minister of National Defence will deal with the question.

Mr. Churchill: Mr. Speaker, I have been accused of unnecessary abuse. On a point of privilege I think I have to point out that on July 28 the Secretary of State for External Affairs said that the total cost of Canada's participation, including the airlift—and I quote his exact words from page 6063 of *Hansard* for that date—"would be around $2½ million for the year." On August 3 the Minister of National Defence said that up to that date the estimated cost had been $2,200,000. Therefore there was not any abuse on my part. The abuse of the privileges of parliament was exercised by the Secretary of State for External Affairs in giving us erroneous information.

An hon. Member: As always.

Mr. Martin (Essex East): I agree fully with you.

Mr. Speaker: The hon. member for Yukon.

Mr. Churchill: Can I not get an answer from the Minister of National Defence?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I think the problem is a matter of interpretation.

Mr. Diefenbaker: Most of the minister's statements need interpretation.

Mr. Hellyer: On August 3 I tabled figures of the estimated cost up to July 30. The estimated cost to date of Canadian participation in the United Nations force in Cyprus, including initial and support airlift and certain costs recoverable from the UN related to Canadian personnel at UN headquarters in Cyprus who are not members of the Canadian contingent, is $2,810,000. This figure does not include the cost of the rotation of the Canadian contingent which began this morning. This is estimated at $190,000.

On the basis of estimated monthly costs of $305,000, expenditures for the next three months, including cost of material, food, other supplies, support airlift and services directly attributable to Canadian participation in the UN force, may be expected to amount to $915,000. This does not include possible costs

of repatriating our Canadian contingent at the end of this third three-month period.

RECOGNITION OF QUEBEC DELEGATION IN PARIS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to put a question to the Secretary of State for External Affairs. Would he tell the house what decision has now been made with regard to the Quebec delegation in Paris and also whether the government has decided to grant the same privileges as those previously granted to the Ontario delegation in London?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in reply to the second part of the question, I must say that this decision does not depend on the Canadian government, but rather on the French government.

As far as the first part of the question is concerned, I must say that since discussions between the French government and the Canadian government are not yet completed, I am not in a position to give a final answer.

[*Text*]

POSSIBLE MODIFICATION OF TREATY BETWEEN U.S. AND JAPAN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. Has the minister participated in any discussions, or is he aware of any discussions that took place, when he was in Tokyo, when Mr. Cabot Lodge visited Canada, or with other United States officials which would indicate that the United States intends to modify its treaty with Japan to permit the establishment of regular armed forces; to permit rearmament, and to permit the deletion of the declaration against war clause in that treaty?

Hon. Paul Martin (Secretary of State for External Affairs): No, sir.

MALAYSIA—INQUIRY AS TO MILITARY SURVEY GROUPS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I wish to address two questions to the Secretary of State for External Affairs. Has the commission from Malaysia reached Canada and held conversations with representatives of this government; and second, has the military survey group from Canada left for Malaysia?

Hon. Paul Martin (Secretary of State for External Affairs): The military survey group, which had expected to leave for Malaysia last week, would have been on its way but for the fact that the team from Malaysia which was in the United States and later came here asked that there should be a delay so they could study certain information. We are now waiting to hear from the Malaysia authorities before the Canadian team departs.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to direct a question to the Minister of Northern Affairs and National Resources. Can he tell us how negotiations are progressing between his department and the department of natural resources of the province of Quebec concerning the transfer of the administration of Eskimo affairs in that province, and can he also tell us if he expects that those negotiations will soon be concluded?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, there have been no negotiations at the official level in recent weeks. I rather anticipate that we will be having certain discussions with the department concerned in the province of Quebec in the next several weeks.

[*Translation*]

Mr. Grégoire: Mr. Speaker, a supplementary question to the right hon. Prime Minister. Since those negotiations rather seem to be at a standstill, and since the Prime Minister of Canada is known as one of the greatest diplomats and negotiators in Canada today, does he not intend to intervene in order to bring those negotiations to a conclusion as soon as possible?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not think the hon. member should be too impatient. I am quite confident that these negotiations will continue, and that a solution will be found.

HAINES CUT-OFF—U.S. OFFER OF WINTER MAINTENANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Northern Affairs and National Resources. Has the government yet reached a decision on the offer of the government of the state of Alaska with respect to the all weather maintenance of the Haines road?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think it was on Friday last I indicated to the hon. member that the matter was under very active discussion. I am pleased now to tell the house that we have already offered to the state of Alaska to extend for another one year trial, the same amount of money that we paid last year, which was $127,050 U.S. funds. This offer has been communicated to the government of Alaska.

Mr. Nielsen: As a supplementary question, is this then a counter offer to the offer of the state of Alaska to maintain the road on the basis of $167,000? Is that not correct?

Mr. Laing: We have good reason to hope and believe too, that the payment which was made last year will be acceptable again.

TRANSPORT

PROVINCIAL REPRESENTATION AT BRIEFING ON RAILWAY LEGISLATION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, because of the indisposition of the Minister of Transport, I should like to address my question to the acting minister. In view of the notice that went out this morning to members to attend an informal briefing in connection with the railway legislation, would the government consider inviting to this meeting the appointed representatives of the interested provinces?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, I have no knowledge of the particular notice referred to, but I will immediately look into the matter and consider it.

Mr. Hamilton: I have a supplementary question, Mr. Speaker. Would the acting minister, in making his inquiries, make reference to the implications of this act to the province of Quebec, so that province will be among those invited?

Mr. McIlraith: Mr. Speaker, I have not indicated at this stage that any province would be invited, but I will look into the observations made by the hon. member.

PUBLIC BUILDINGS

HULL, QUE.—INQUIRY AS TO CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Alexis Caron (Hull): Now that the 30 day delay requested by the Minister of Public Works is over, could the minister tell us what is the situation as regards the negotiations concerning the construction of federal buildings in Hull?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I was hoping that I could announce today the construction of a federal building in Hull but unfortunately I am not yet in a position to do so.

However, I expect to be able to announce shortly the construction of two federal buildings, one in Hull and one in the city of Eastview.

[*Text*]

Mr. D. V. Pugh (Okanagan Boundary): I have a supplementary question, Mr. Speaker. I wonder whether the minister is prepared now to announce whether the new federal building for Kelowna, British Columbia is ready to be built?

TRANSPORTATION

LACK OF RAILWAY PASSENGER ACCOMMODATION, MONTREAL-VANCOUVER

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to direct a question to the Prime Minister. Last Friday I asked him about the lack of passenger accommodation on C.P.R. trains between Montreal and Vancouver, and he indicated that he would refer this matter to the Minister of Transport. I am sorry to hear that the Minister of Transport is ill and may not be resuming his duties for several days. I wonder whether the Prime Minister has taken this matter up directly with the Canadian Pacific Railway and, if not, perhaps he can advise us who is doing so.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the matter has been taken up, but we have not as yet received a reply to our request for information. As soon as that reply is received it will be given to the house.

Inquiries of the Ministry

TRADE

RUSSIA—FURTHER WHEAT PURCHASES AND CREDIT ARRANGEMENTS REQUESTED

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In the absence of the Minister of Trade and Commerce I should like to ask the Prime Minister if there is any foundation for the newspaper article to the effect that to all intents and purposes no immediate future purchases of wheat will be made by the U.S.S.R.; and whether it is a fact that the U.S.S.R. has asked Canada, should it desire to extend its trade in the U.S.S.R., for credit arrangements extending between 10 and 15 years.

Right Hon. L. B. Pearson (Prime Minister): I will be discussing this matter with the minister on his return tomorrow, and perhaps he will be in a position to give an answer to the question. Of course he has already said in the house that there has been no definite information from the Soviet union as to whether they will or will not be importing more wheat from Canada.

So far as the latter part of the question is concerned, I have ascertained, as no doubt my right hon. friend has, that the Soviet union has been making statements of this kind to a good many governments in regard to providing credit terms.

Mr. Diefenbaker: Has the U.S.S.R. stated to Canada that it desires, indeed demands, credit arrangements of between 10 and 15 years in respect of any future trade?

Mr. Pearson: No, we have had no official demand or request of that kind from the U.S.S.R. in regard to credit terms.

POSSIBLE IMPEDIMENTS TO FREE TRADE BETWEEN PROVINCES

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I have a question for the Prime Minister arising out of reports that the Manitoba government intends to bring in a program of special concessions to provincial manufacturers. In view of the impediment to free trade between provinces represented by this and other provincial programs, what action or plans does the government contemplate to deal with this and other similar programs being followed by various provinces?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have not seen those reports. I shall be glad to look into them and see if any action or statement is required on our part.

[Mr. Pearson.]

MINES AND TECHNICAL SURVEYS

WINTER BERTHING OF HYDROGRAPHIC SHIP "ACADIA"

On the orders of the day:

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): Mr. Speaker, on Friday last the minister from Pictou asked—

Some hon. Members: Oh, oh.

Mr. Benidickson: —the hon. member for Pictou asked if I had received a communication from the board of trade of Pictou regarding the berthing of the Canadian hydrographic ship *Acadia*. I said, and it proved to be correct, that nothing of that kind had at that time come across my desk, although I had had representations the previous year. I find that late on Wednesday a communication was received from the board of trade of Pictou. I was away in Quebec city on Thursday, and my staff proceeded to make inquiries concerning plans for the berthing of this ship this winter.

I gave consideration to the representations that have been received from my hon. friend, from the Minister of Labour and others, and over the week end we have decided to continue the winter berthing of the *Acadia* at Pictou. It has been berthed at Pictou since 1945, although with the establishment of the oceanographic institute at Halifax there are some operational advantages in the ship being berthed in a port that provides a longer operational season. I assure my hon. friend, however, that the arrangement will not be disturbed this winter.

AGRICULTURE

CAPITAL GRANTS TO CLASS A AND B FAIRS

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to ask the Minister of Agriculture whether he has had any further meetings with the executives of class A and B fairs with regard to the capital grants that were frozen. Is it the intention of the government to continue the grants?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, the last of the pilot projects which were initiated this year on the prairies and at the Western fair in London have now been completed. We are assessing

them, and as soon as this has been done we will be calling in all the executives of both class A and B fairs as well as the ministers of the provinces to ascertain what we will do in connection with the capital grants.

Mr. Starr: When does the minister expect this time will arrive, when he will be in a position to call in these executives to thresh out this problem?

Mr. Hays: We are going to do this just as quickly as we can. When we have reached some sort of agreement I shall be glad to announce it.

HOGS—GRADING PRACTICES RELATED TO PREMIUM PAID

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): On Friday last the hon. member for Humbolt-Melfort-Tisdale referred to a report of a statement made at a meeting of the Ontario hog producers marketing board to the effect that the payment of premiums on grade A hogs depended on the amount of money allocated for such premiums at the beginning of the fiscal year.

In reply I may say that this suggestion is completely unfounded. Since 1961-62 the appropriation for the payment of quality premiums on grade A hogs has been so arranged as to allow expenditures to exceed the amount originally estimated. Prior to 1961 it was necessary to provide the additional funds required by supplementary estimates. Under the new procedure being followed since 1961 this is not necessary. As an example, $4,670,480 was originally provided in the 1963-64 estimates but the actual expenditure on hog premiums for that year totalled $7,479,484.

It is also interesting to note that over the past ten years the percentage of hogs on which quality premiums have been paid during the last four months of each fiscal year has been as high as, or higher than, the percentage on which payments were made during the first eight months of each fiscal year.

Mr. A. D. Hales (Wellington South): Has the minister given any consideration to withdrawing the hog premium subsidy and having it reflected in the price of the product?

Mr. Hays: There has been no consideration given to that.

Inquiries of the Ministry

CANADIAN BROADCASTING CORPORATION

STEPS TO MEET PROPOSED ACTION BY MEMBER FOR YORK-HUMBER

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I would like to put a question to the Secretary of State, but in his absence I shall put it to his parliamentary secretary who is known for his aristocratic discretion.

Could he tell us how matters stand now in the quarrel between the C.B.C. and the hon. member for York-Humber (Mr. Cowan) in connection with station CJBC?

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): I want to thank the hon. member for reminding me of this question. I know the hon. member for Pontiac-Témiscamingue also has an interest in this matter. He asked a question about it on September 4. I am now informed by the Canadian Broadcasting Corporation that a writ of summons was served on the corporation on September 24, 1964. Moreover, I am informed that the Canadian Broadcasting Corporation does not intend to change its plans for the operation of a French language station in the city of Toronto unless the court makes an order which necessarily requires some change to be made. The corporation intends to oppose and defend the action which has been commenced.

Mr. Choquette: I should like to ask whether the Canadian government will be represented by a lawyer in the case of Cowan *v.* C.B.C. case.

Mr. Stewart: I believe the Canadian Broadcasting Corporation would have full jurisdiction to defend itself in this action.

Hon. Paul Martineau (Pontiac-Témiscamingue): May I ask a supplementary question. Will the parliamentary secretary tell the house who has been retained as counsel for the C.B.C.?

Mr. Stewart: I will ask the corporation.

VETERANS AFFAIRS

MONTREAL—REPORTED REFUSAL OF MEDICAL TREATMENT TO R.M.C. CADETS

On the orders of the day:

Mr. D. W. Groos (Victoria, B.C.): I have a question for the Minister of Veterans Affairs. Has it been brought to the minister's attention that on the night of Saturday, Septem-

ber 26, 1964, two seriously injured cadets from the Royal Military College, Kingston, were taken to the Queen Mary veterans hospital in Montreal for first aid treatment, but were refused admission? Will the minister tell us if this action is in accordance with the rules of his department, and will the minister have the matter investigated?

Hon. Roger Teillet (Minister of Veterans Affairs): I want to thank the hon. member for advising me at the lunch hour that this question was going to be raised. A partial investigation has been made, and the information received to date is that these cadets arrived at the main gate of the Queen Mary hospital around 1 a.m. Sunday morning dressed as civilians. They did not identify themselves as cadets. They were advised to go to the west gate for entrance to the admitting department.

On arrival at the west gate one of them placed a telephone call, and before the telephone call was finished they were met by the police who took them away. It is not clear why they left with the police or why they were not let in to the admitting department. We are continuing the investigation.

Mr. Eric A. Winkler (Grey-Bruce): Can the minister say if he is aware whether these cadets were refused admission to any other hospital?

Mr. Teillet: I have no further information at this moment. As soon as I have it I will be able to report to the house.

RENT INCREASES IN VARIOUS HOUSING PROJECTS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I have a question for the Minister of Veterans Affairs. Is the minister aware of the difficulties caused to tenants of some veterans housing projects as a result of rent increases, and would he look into this problem so that no undue hardship or difficulty may be experienced by the veterans concerned?

Hon. Roger Teillet (Minister of Veterans Affairs): I will be glad to look into the matter.

NATIONAL DEFENCE

FAILURE TO FLY QUEBEC FLAG AT ROYAL 22ND REGIMENT CEREMONY

On the orders of the day:

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, last Friday the hon. member for Dorchester (Mr. Boutin) and the hon. member for Shefford (Mr. Rondeau) asked various questions concerning the arrangement of flags at the national war memorial during the ceremony commemorating the 50th anniversary of the Royal 22nd regiment.

Before the ceremony authorities of the regiment actually inquired about the possibility of raising fleur-de-lis flags between red ensigns around the national war memorial. Even though the public works department is responsible for flying the flags, no decision is ever made in such circumstances without first seeking advice from the protocol division, and this was done in this case.

Following various consultations with the protocol division, the officers of the Royal 22nd regiment were advised that the fleur-de-lis could not alternate with the red ensign around the war memorial but that it could be flown by the regiment during the ceremony.

The hon. members must realize that, in many cases of this type, custom, tradition and precedents must guide us; and I must add that the only flags that can alternate with that of Canada around the war memorial are those of foreign countries which, on occasion, pay tribute to our dead.

In this case the decision was taken in conformity with the policy followed in the past. I am among the first to regret that what is called "protocol" should be so rigid, but I am also among the first to recognize that it must be so. Therefore, one must not look here for any motive other than the usual custom to explain the decision made and it would be unfortunate to think otherwise, because the ceremony which took place in the capital last week was everything we had hoped it would be: a moving tribute from the government of Canada to one of its most gallant regiments.

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, I wish to ask the Prime Minister a question.

The Minister of Public Works has just said that the decision was taken by the protocol branch, which is under the secretary of state department.

Could the Prime Minister remind the Secretary of State that the protocol branch comes under his jurisdiction, because last Friday he did not seem to know it. He said then that the matter was the sole responsibility of the Department of Public Works.

Mr. Deschatelets: Mr. Speaker, on a question of privilege. I must point out to the hon. member that I did not say that it was up to the Secretary of State to make a decision in this

respect, but that it was up to the Minister of Public Works to do so.

However, before making decisions in such cases we always consult the protocol division.

I would also mention that the Department of External Affairs and the Department of the Secretary of State both have a protocol division, but final responsibility rests with the Department of Public Works.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I would like to ask a supplementary question so as to clear up the answer the Minister of Public Works has just given. The minister stated that in such cases the Canadian flag had to be flown. Could he tell the house to what Canadian flag he is referring?

Mr. Deschatelets: Mr. Speaker, I was referring to the red ensign, needless to say.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question.

In view of the fact that the Minister of Public Works seemingly based his answer on custom and tradition, could he tell the house how many cases of this kind have occurred in Canada since confederation?

Mr. Deschatelets: Mr. Speaker, I think I can answer this question by saying that since confederation the Canadian flag has never flown along with another flag at the war memorial, unless it was a flag of a sovereign foreign country.

Mr. Grégoire: A supplementary question, Mr. Speaker. Has this ever been asked by one of the provinces?

[*Later:*]

Mr. Speaker, I wish to direct a question to the Minister of Public Works.

Could the minister tell us what officer—and to which department he is responsible—supplied information on the protocol regarding the flags flown at the Canadian war memorial?

Could he also table in the house the text of the protocol which made it impossible to fly the fleur-de-lis last week?

[*Text*]

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

COLD LAKE, ALTA.—CONTRACT FOR AIRPORT HEATING SYSTEM

On the orders of the day:

Mr. Terry Nugent (Edmonton-Strathcona): I should like to ask the Minister of National Defence whether he would clarify an answer he gave on Friday. He gave it so quickly I was not in the house when it came up. He said, as reported on page 8429 of *Hansard*—this is with regard to the conversion to gas at Cold Lake airport—that the contract was not simply put up for tender but that gas was being supplied by the Cold Lake Pipeline Company, the only company in a position to do so in that area.

Does that answer mean that the Cold Lake Pipeline Company is doing the conversion work normally done by heating and plumbing contractors, and was this work negotiated rather than put up for tender?

Hon. Paul Hellyer (Minister of National Defence): The pipe line company is, I understand, installing the underground works necessary for the distribution of the gas. In the circumstances I believe this would have been a negotiated contract.

Mr. Nugent: My question concerned the conversion of the heating units in 850 married quarters. Has this work been put out for tender or was it negotiated, and is it being done by the same company?

Mr. Hellyer: I cannot recall for sure. I think I had better take that part of the question as notice.

POWER

REPORTED U.S. INTENTION TO CONSTRUCT DAM ON YUKON RIVER

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Minister of Northern Affairs and National Resources concerning relations between Alaska, the United States and Canada. My question is based on reports of the plans of the government of the state of Alaska and the United States corps of army engineers for harnessing the hydroelectric potential of the Yukon river by the building of a dam at Rampart on the Alaska portion of the Yukon river.

Bearing in mind our knowledge of the United States doctrine that first in time is first in right, and in view of the warning by General McNaughton that once ratification of the Columbia treaty had been completed the United States would step in to take the Yukon power away from Canada, would the minister inform the house of the government's plan to protect Canada's rights so as to provide for the future development of the Yukon river by Canada in Canada?

Inquiries of the Ministry

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I cannot at all accept the assumption that a great deal of progress has been made by the state of Alaska or by the government of the United States in plans or intentions to build a dam at Rampart. I think we have made it amply clear that at the present time the building of that dam and the transmission of power through Canada would not be in the interests of Canada.

Mr. Herridge: That is what we want to hear.

Mr. Laing: Moreover, the economic considerations involved in the transmission of power for well over 1,000 miles, as well as the fact that transmission would have to take place entirely through Canada would, I think, place us in a very strategic position.

IMMIGRATION

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. J. N. Ormiston (Melville): I have a question for the acting minister of citizenship and immigration. Has the hon. gentleman any further information regarding the presence in Toronto of two United States strike directors?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): I will take the question as notice.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I wish to direct a question to the Secretary of State for External Affairs. It refers to a question I asked the minister last week with reference to question No. 1,744 on the order paper, to be found on page 27 of today's routine proceedings. This question has been on the order paper since August 20. It seeks information which must be readily available in the external aid office, and I asked the minister last week whether he would see that it was answered. The hon. gentleman was very gracious and reassuring, but no answer has been given as yet. So I should like to ask this minister this. Have any Caribou aircraft been delivered to India so far?

[Mr. Herridge.]

Hon. Paul Martin (Secretary of State for External Affairs): I shall see that this question is given the attention it deserves. I am told the answer has already been tabled. The hon. member does not give the department the credit he should.

LABOUR RELATIONS

INQUIRY AS TO FEDERAL LABOUR CODE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. Are the reports correct which appear to have been given to persons outside the house concerning the details of the proposed national labour code? May I ask, further, whether the notice respecting this legislation will be filed before six o'clock today so the item will be on the order paper by September 30, as the minister so solemnly promised?

Hon. A. J. MacEachen (Minister of Labour): I have no comment to make with respect to the first part of the question. When I indicated that the notice would be on the order paper by the end of September, I thought September had 31 days. With that qualification I will meet the commitment I made to the hon. gentleman.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed, from Tuesday, September 22, consideration of the motion of Mr. Hays for the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Mr. Jack Roxburgh (Norfolk): I rise to speak in favour of Bill No. C-121 because of the view which has been expressed by certain members of the opposition, among them the hon. member for Macleod and the hon. member for Acadia, that the present bill is of no value to the small farmer.

As my hon. friend from Kings said the other day, this is a most important bill as far as the small farmer is concerned. It is something which the small farmer really needs, and it can do a great deal to help him. I think it is well known that every small farmer—

Mr. Kindt: Mr. Speaker, may I ask the hon. member a question. I should like to correct a statement the hon. member made. We never made the statement that this would

not help the small farmer; we said, the small wheat farmer.

Some hon. Members: Oh, oh.

Mr. Roxburgh: I will accept that correction, Mr. Speaker, because I say that the small wheat farmer is equally as important as the small eastern farmer.

Some hon. Members: Hear, hear.

Mr. Roxburgh: I think it is very well known that the average small farmer, whether he lives in British Columbia, Manitoba, Alberta, the midwest, the east or the far east, has a very, very diversified business. He is concerned with growing crops, both grain and field crops such as potatoes, tomatoes, fruit and so on, as well as feeding livestock and poultry. Therefore he is given the opportunity by the bill to grow a much needed cash crop.

Take, for example, the farmer who might want to grow four or five acres of potatoes. To grow four or five acres of potatoes requires planting machinery; it requires spraying machinery; it requires harvesting machinery. It is utterly impossible for the small farmer to buy all the machinery that is needed to plant and harvest five acres of potatoes. Five acres of potatoes may not seem much to our big growers of wheat in the west. However, Mr. Speaker, five acres of potatoes, or tomatoes or whatever it may be, does mean a certain cash crop that is so much needed by the small farmer today to help keep him in business. By borrowing money for this type of machinery he can grow this type of crop.

With regard to a group of three or more farmers getting together to buy this type of machinery, the opposition has said this is a syndicate, that this smacks of communism. Don't tell me that three of your good western wheat farmers or three of our farmers in the east, or wherever they may be, are going to be put in the communist class if they get together to buy some machinery to better themselves in life. That is a really laughable suggestion.

I mentioned briefly that three or four farmers can use this type of machinery with which to grow potatoes. There are many, many types of machinery that will help the farmer, and the big farmer also, but I will mention only two or three individual pieces of machinery. One is the new pelleting hay machine. The average small farmer cannot handle one of these, but a group of three, four or five farmers can. I am a farmer myself; I admit that there are certain types of crops that it is very difficult to handle by means of co-operative machinery, but there are other types of crops that are quite easily handled in this way. I would mention the corn harvester, for example. Every farmer has a wagon and a tractor of his own, but with a corn harvester they can pick any time of the year and three, four, five or twenty farmers can get together and buy a harvester and so better themselves.

There is one thing, Mr. Speaker, that a great many people have not taken into consideration, but this has been proven in Europe. I refer to the high powered feed mill, for example. A group of farmers can get together and buy one of these mills with the aid of the finances provided through this bill. There may be enough farmers to enable them to put a man in charge of this piece of machinery and so save themselves $3 or $4 a ton. This saving alone may determine whether they are going to be successful and make money out of the operation.

I mentioned the syndicate arrangement earlier. It was mentioned by members across the way that farmers could not co-operate in this regard and therefore this arrangement would not work. Hon. members opposite who are farmers know much better than that. They know that farmers are the most co-operative group of people in the world today. I know this is so, not just because I am a farmer but because I have been concerned with the federation of agriculture and with farm groups, etc. I have worked with farmers all my life, and they are the only group of people in which this arrangement could really work.

I would like to illustrate how a group of farmers in any area can work together. There was a group of five farmers in my own community. Like every other group of farmers they wanted to buy the type of machinery that hon. members opposite have been discussing. They bought a piece of machinery, and John had it this week, or today; Bill had it another week; John broke something and Bill had to fix it. In other words it just did not work. However, being a group of farmers, did they get mad at each other and throw the whole arrangement up in the air and say it could not work? No; they used their intelligence.

I should like to tell the house what they did. Don't tell me this arrangement cannot work, because this group of farmers are living proof that it can and they are carrying on this arrangement today. One man of the group

undertook to look after the machinery. There is hardly a young farmer today who cannot pull his tractor to pieces, or his combine or whatever it may be, and get it to work. They took one of the boys who loved doing that sort of work and put him in charge of this piece of machinery. He fixed this machine. He was paid so much an hour for every bit of work he did, not only on their farms but on his own farm, with regard to harvesting the crop. He looked after this piece of machinery. This group of farmers are still operating today under this arrangement. Therefore, Mr. Speaker, don't tell me this bill will not work among a group of farmers.

Today there is one thing wrong with us, and this is not just in farming. Today we are thinking big, too big. We are thinking big, and bigness is getting completely out of hand in the United States and Canada. We are getting away from small business, and small business is needed today as never before, not only to keep the economy of the country going but most important of all—and I know everyone will agree with me who knows anything about farmers or is a farmer himself—to keep in balance the heart of our nation, its people. This is what small business does, and it is what the small farmer is doing today.

One of the greatest obstacles to the development of a thriving farm community big or small is not only in the attitude of John Public himself but the attitude of the farmer. It is said that small business is doomed. If every one of us looked with this attitude at our businesses and at the businesses that are in our communities, and if we looked at our own lives with this attitude, we would be doomed. We all know that farmers are a group of people who have always been more satisfied with their way of life than any other group or industry, and rightly so. But we must remember that the fast changing world of today is affecting not only farm life but every walk of life. To keep up with this trend those who are in charge of business, be it farm business or industry, have to be quick to sense the need for change and adjustment. We cannot just sit and think of what our fathers did and be satisfied with that, whether it is in the farming business or any other type of business.

Because the farmer is satisfied with his way of life he has unconsciously been resisting these changes instead of using his energy and efforts to find a way of taking advantage of the changing circumstances. And this is not the case just with the farmers. I think if each hon. member in the house went back to his own community he would find this true of other industries as well. I can name a number of industries in my own constituency which were the very heart and soul of little communities but which are there no more. They are there no more because they could not sense the change in the times. At the same time other industries which did sense the change in the times are now employing more people today.

This farm machinery bill represents one of these changes. It is something new; it is a completely new line of thinking, and if taken advantage of and given the chance it will play a very important role in keeping the small farmer in business today.

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I rise to say a few words on Bill No. C-121. First of all I must say that I am very pleased to see the Minister of Agriculture in the house today and to note that his many duties have not taken him away from the final day of discussion on second reading of this bill.

I have waited a long time for an opportunity to speak on this measure and to give the reaction to it of one who has farmed in Alberta for many years. I do not call farming an industry but rather a profession. I do not like being called a grocery grower or any other fool thing like that; I am a farmer and proud of it. I think farming is a profession. It is no longer the misfit who can go into farming. A farmer has to be able to manage his business and to have a proper outlook on life before he has a hope in the world of making a success of it. In this day and age people in all walks of life must be prepared to make a success of whatever undertaking they decide upon; and believe me, Mr. Speaker, one can be proud of being a farmer. No longer is he relegated to the business of farming just because he is a misfit at something else; that just cannot happen any more.

For some time we have been discussing loans of various kinds to farmers. I am one of those who still cannot see how any farmer can hope to borrow himself rich. The last time this measure came before the house was on Tuesday, September 22. Up to that time several measures had been discussed. All of them provided loans to farmers and amounted to a possible total loan of $55,000 from the Farm Credit Corporation and $15,000 by way of a farm improvement loan. Now we have a measure to make it possible for people in farm syndicates to borrow $15,000 each. Therefore it is possible for a farmer to borrow up to $85,000, and it would be his responsibility to pay it back.

I would not want anybody to think I had any idea that all farmers would be able to borrow that amount, but let us suppose that one farmer was able to borrow up to $85,000. If he paid only 5 per cent interest he would pay over $4,000 each year in interest quite apart from what he needed to live on. I do not think many farmers will be able to handle loans of that size, and each farmer must realize that he has no hope of being able to borrow himself rich.

The hon. member for Norfolk, who has just spoken, said in the course of his remarks that someone on this side of the house had said that farmers could not co-operate, that these loans could not possibly be of any use, and that if they did borrow they were communists. In the first place, I am sure no one over on this side of the house ever said that farmers could not or would not co-operate. We who come from the west know very well that the farmers are unable to co-operate in owning machinery no matter how much they would like to, because their operations are controlled by the weather, not by themselves. In the area in which I live the farmers have had pretty well four weeks of steady drizzle; I do not mean heavy rain like we had in Ottawa yesterday, but the sort of drizzle that makes harvesting impossible. The crops out there are swathed and lying in the fields, and no one can tell me that three, four or five farmers who owned one combine would be happy with that sort of arrangement instead of each being able to use the machine to harvest whenever the sun shone. I think there has to be a combine for each unit.

With regard to the allegation that they are communists, a communal farm is not composed of individual owners. Farmers on communal farms work for the good of the community. Those farmers do not own anything, so the hon. member is away off beam when he says that we on this side are calling people communists who would borrow under this kind of legislation. The only real communal farms in western Canada are those operated by the Hutterites. They are very hard working people, but none of them owns a thing and would not be eligible for a loan under this farm machinery syndicate credits act.

To my mind the only people who could really benefit from this measure—and here I am speaking entirely of the west, not of someone who grows five acres of tomatoes or potatoes in Ontario or eastern Canada—would be, say, a father who has two or three sons, each of whom could borrow provided he owned land. They could borrow money under this legislation for the purchase of farm machinery provided they worked together as a unit rather than as individuals. If they worked as individuals they would be faced with the old problem of doing certain things on their farms only when weather permitted.

It seems to me the only thing that could be satisfactorily purchased under the provisions of this legislation is heavy equipment such as a portable feed mill. If groups of farmers purchased portable feed mills and learned to operate them efficiently they would only suceed in putting another industry out of business. Surely it is obvious that local feed mill operators can do a better and more efficient job than can be done by farmers with portable mills. In the district of Canada where I live there is only one farmer operating a portable feed mill. With the exception of one report from that man's brother to the effect that this was a success, I have heard nothing wonderful about his operation. Nor have I heard of any farmer in the district other than the operator making use of that portable feed mill. This, incidentally, is not a syndicated operation.

At this time I should like to read into the record an editorial which is to be found in the Canadian milling and feed publication of August, 1964. This publication is the voice of the milling and feed industry in Canada. The editorial is signed by Robert Mercer, the editor, who says:

> A news item on the back page of the *Financial Times* of Canada states that the Minister of Agriculture plans to finance collective purchases of farm machinery. Only certain more expensive items of machinery are to be included, among which is the mobile feed mill. A large sum of money is being put aside for the financing of these purchases, and it is to be made available through the Farm Credit Corporation.
>
> We understand that the reason for including the mobile feed mill is in order to lower the cost of feed to the farmer. How a co-operative of local farmers, who should be within 30 miles of each other, hope to compete with an established mill, we do not understand.
>
> We suggest that if the minister wishes to aid the livestock feeder in the east or in the west that a more direct approach be taken. In our estimation the present course of action that is proposed, will give the greatest benefit to the machinery manufacturers. The progressive farmer has more to do than learn the complex workings of the feed trade. The organizing, operating, upkeep and financing of a mobile feed mill is no small problem. The knowledge required to use the mill to maximum efficiency, the knowledge required to mix uniform feeds for effective purposes and the knowledge

required to choose the right supplements to complement the farmer's grains are not learned over night.

So what will happen? Either a drop in quality that goes with a drop in price, or some one member will take over as manager of the group and learn the business. If the latter is the case, then this new co-operative group is in direct competition with the local feed mill. It will now have many of the same overhead costs of a business organization and it will have fewer farmers to spread the cost across. A duplication of services often dilutes the efficiency of both.

If, as we suspect is the case, the problem is one where the minister feels the costs of custom grinding and mixing are too high, (which are usually billed below cost) then is this not the area for the assistance? Politically it is advisable to help the farmers, but in this case is it practical?

Feed is a costly and complex input item of a farm operation. However the cost is offset by its value. The efficiency of modern feeds can be seen from the price of eggs that has not increased in proportion to costs. Feed efficiency can only be fully derived when it is correctly formulated, correctly mixed, fresh and used for the purpose indicated.

We maintain that feed costs are not too high. A feed, or a cost in producing a feed may be too high. If this is the case, then it is better to pinpoint the area of concern and work to its correction, than it is to foster further purchases by the farmer into a field where the competition already undersells itself.

I am in complete agreement with that editorial, and I wonder what those people who will be put out of business will do in the event that such a thing takes place.

Other items of machinery have been mentioned, such as heavy grading equipment, levelling equipment and other things of that nature, but every county in Alberta has a complete line of heavy equipment which is rented out by the hour, along with an operator, to any farmer who desires to make use of this service. In that way the farmer is not responsible for the purchase or maintenance of this equipment and, furthermore, does not have to learn how to operate these machines. In that regard, I do not think the provisions of this legislation are feasible or advantageous to a farmer.

As far as the purchase through the provisions of this legislation of combines, tractors, plows and tillage machinery is concerned, I must point out that farmers, because of the very nature of farming and weather conditions, all have a need to use this type of equipment at the same time; therefore it would not be practicable to form a syndicate and purchase one of each.

This legislation appears to be directed toward vertical integration of the farming industry, and certainly in that part of the country in which I live will not be of any assistance to the small farmers. I should like to know who is going to benefit as a result of this legislation. Will the small farmers benefit? The only small farmers who will benefit, I suggest, are those in an area who are related and can operate their individual farms as a single unit. I gave an example of this in respect of a farmer and his several sons.

I understand that one third of the membership of any group or syndicate formed to take advantage of the provisions of this legislation may be comprised of individuals who are not engaged in farming. This is a very bad feature or premise to this legislation. Only farmers should be eligible for whatever benefits can be derived from this measure.

I cannot see any advantage to be gained by the small farmer through this legislation, unless he can, under the provisions of this bill, obtain a loan on the machinery which he has now mortgaged, in most cases to the bank or under the Farm Credit Corporation provisions. It may be of assistance to a big farm, providing that farm is operated by a father and sons, who are all owners but who operate their properties as one unit. So far as I can see, this is the only place where this measure would be of help.

As I mentioned at the outset, the initial cost of the machine is not the only consideration. There is still the interest, the bookkeeping, and so on. Somebody will have to be paid to keep the books, manage the repairs and other items that will crop up from time to time under an agreement such as this. I should like to see these loans insured. I understand that any one member of the syndicate is responsible for the whole loan. I believe the loan should be insured in the name of all the members of the syndicate, then one member would not be left to pay up the whole loan in the event of default because of death or for other reasons.

It would not be proper for me to criticize a measure such as this, unless I could suggest to the minister some means of getting around the fact that so much money will be made available to one section of the country by way of these loans. Farmers do not want to be borrowers. Every one of them is an individualist. He wants responsibility for conducting his own business, and he feels that is his own business.

Mr. Roxburgh: May I ask a question?

Mr. Fane: Yes.

Mr. Roxburgh: The hon. member mentioned that this measure would apply to only one section of the country. Would the hon. member delineate that section of the country?

Mr. Fane: Did I say that?

Mr. Roxburgh: Yes.

Mr. Fane: I was talking about the farmers. I said that they need help, and they need all the help they can get, but they do not want to be set aside as people who are always wanting to borrow money. They want to be on their own. They want to receive a proper price for their produce and they want that price to bear some relationship to the cost of the stuff they have to buy. The amount they receive for what they sell must bear a relationship to the cost of what they have to buy.

I can give an example, Mr. Speaker. In 1944 I bought a 16 foot selfpropelled combine. The price of that combine was approximately $3,200 which, at that time, equalled the amount received from 3,000 bushels of No. 3 northern wheat. If one were to buy the same combine today—I suppose it is a little nicer machine, a little more streamlined and perhaps handles the work a little faster or has more gadgets, such as a cigarette lighter or a comfortable seat—it would cost roughly $10,500 and that would be equal to the amount received from 10,000 bushels of No. 3 northern wheat. Is that right? The government of which I was a member was just as guilty of increasing loans to farmers. It is not too easy a job to tie the cost of production to the price received for the sale of a product. Why can we not work toward making it possible for farmers to get returns commensurate with the cost of production? I know the minister is going to laugh at that, but the only way any government can hope to avoid all this business of introducing special measures for loans to farmers is by following the course I suggest.

I am a farmer and I am proud to be a farmer. However you could not get me to sign one of these syndicate deals, even if you dragged me in with the biggest tractor you could find. I have had some syndicate deals, but they did not pan out. It was not my fault but was the result of the vagaries of the weather. I think perhaps I have given that thought to the minister, and I know he has received it many times from other members. I just wanted to tell him how I felt about it. I did not intend to take so much time this afternoon, but I felt that it was necessary. I am anxious to see this measure discussed in committee because then we will have an opportunity to discuss each section and ask the minister questions.

For example, one question I will have for the minister is, will the benefits of this measure be available to the residents of Indian reserves, those who are treaty Indians? They are the people who need help most. Will it only be available to those farmers who are well off and who can get money some other way? It will not help many young farmers. Again I say, Mr. Speaker, I am talking as a western farmer and one who has been a farmer all his life. I am just telling you how I feel this measure will or will not operate.

[*Translation*]

Mr. Patrick Tobin Asselin (Richmond-Wolfe): Mr. Speaker, over the week end I had the opportunity to discuss the legislation now before us with several farmers and farm organization leaders of my riding, and I simply wish to say that those farmers, who could be considered as small farm operators, wholeheartedly support the bill and asked me to join with them in commending the Minister of Agriculture (Mr. Hays) for his leadership in proposing this legislation to assist farmers.

The hon. member who just took his seat indicated that he spoke as a western farmer. For his information, as far as I am concerned, I may say that I speak as an eastern farmer.

Mr. Speaker, the farmers in my area are small farm operators and they asked me to congratulate the minister because they are convinced that this legislation, in enabling them to purchase farm machinery, will be of tremendous assistance in the development of their farm.

Mr. Speaker, I wish to support the remarks made by the hon. member for Kings (Mr. Mullally) and more particularly those concerning the rate of interest. I think the rate of interest should be fixed and not floating as now stipulated in the bill. And I feel there should not be a 1 per cent deduction for service charges. I think the measure would then be more beneficial to the farmers.

We will certainly have to bring some amendments to the legislation and I am asking the minister to take those suggestions into serious consideration.

Mr. Speaker, I think this legislation is part and parcel of a program that was to be based on a farm policy. I think it is very important for the agriculture economy as a whole, and we should look into the possibility of establishing a national farm policy which could

bring about the development of our agriculture. I hope that the minister will consider these suggestions.

Mr. Speaker, the only reason I took part in this debate was to tell the Minister of Agriculture that the eastern farmers, and especially those in the eastern townships, give their unqualified support to his proposed legislation.

[*Text*]

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I am afraid I am not going to agree wholeheartedly with the last hon. member who spoke, who got up ostensibly to congratulate the minister but at the same time pointed out a couple of ways in which he apparently felt there might be room for amendment or improvement in this bill.

I certainly have not risen to condemn the idea that is envisaged in the bill, but I do feel I would like to know a little more about it, and I do feel it is very important that the farmers of this country understand this measure much more fully than they can by just listening to statements such as those made by the hon. member for Norfolk (Mr. Roxburgh).

I am sure there is no one in the house who is not ready, willing, and indeed anxious to do anything he can to help the farmers overcome the cost-price squeeze. We are willing to do everything we can to help them band together in their own interests, and we hope that in considering this one aspect we can work out something that will be most useful to them.

It is not just as a member of the opposition that I have a duty to look at this most critically. My background as a lawyer compels me immediately to look at the signs of trouble —where can the farmer get into trouble on this; where could he be led astray; wherein does this bill fail to achieve in its wording, its concept and its method the objectives which have been so loudly praised on the government side of the house?

I am afraid there are many signs here which indicate to me that the government has approached this from the angle that here is a measure which will, on the face of it, appear so helpful, where we are putting up 80 per cent of the money, where we are able to put such a good face on our desire to help the farmers, that no one will dare stand up and be very critical because he might be taken as anti-farmer. What I have just said, Mr. Speaker, indicates my first criticism of the bill.

[Mr. Asselin (Richmond-Wolfe).]

There has not been sufficient thought put into this measure. It is a piece of show rather than a practical working instrument. It has been presented as a mighty helping hand to the farmer, and there has not been enough frankness with the farmer as to the loopholes or limitations and, in fact, the dangers there are in this system. It is true that farmers at harvest time have learned to co-operate with one another to quite an extent, and I am quite willing to concede that there will be many instances when small groups of farmers, even small groups of small farmers, could see in this bill a chance to band themselves together to buy some machinery, to obtain a degree of financing that they could not obtain individually and that they might not be able to obtain collectively without the assistance of this measure.

However, I think it is only fair to point out that there is nothing to prevent any small group of farmers getting together to form their own syndicate, their own little partnership—because that is what it is—for the purpose of purchasing farm machinery and of financing it in that way. The difficulty is that any partnership—and I would like to use that word instead of "syndicate," because I think it is the fairest warning to the farmer —carries with it the joint and several liability which is spelled out in this bill, and which is still so little understood by farmers who are not used to business dealings and are not used to forming partnerships.

After listening to the two hon. members who spoke on the Liberal side, particularly the last hon. member who said all his farmer constituents wanted him to thank the Minister of Agriculture (Mr. Hays) and praise this bill, I am wondering if any farmers realize when they get into a syndicate, that even though each one puts in only $1,000—and we will suppose their friends in the syndicate put in a little more, and that 80 per cent of the money they require is borrowed—and they end up with a $50,000 feed mill or other complex piece of machinery, that each one is responsible for the full $50,000, despite the investment of only $1,000.

Does the individual small farmer realize the risks in any partnership involving a great deal of machinery? Does he realize that if the manager of the enterprise makes a mistake and fails to insure properly, or if the machinery should be ruined or lost by some hazard not covered by the insurance, that the partnership is responsible for the full value—not just the money they collectively put in but all the money advanced

by the bank, which the government is guaranteeing?

Not only that, but I wonder if each one of those little farmers, who is at first glance so unhesitatingly enthusiastic about this, realizes that if he puts in only $1,000 and something were to happen to his partners, as a result of which they are unable to pay their full share or fair share, all his individual assets could be seized and that he could be liable for the full $50,000? This is the essence of partnership law and this, to my mind, is the greatest risk a farmer going into this syndicate idea can run. It is not just the risk of losing it all, but there is also the risk of what it does to his own borrowing ability in the interim. Once a farmer joins a syndicate he is contingently liable for the full commitment of that syndicate. Suppose he has put in $5,000 and the syndicate incurs a liability of $40,000 he is contingently liable for the sum of $40,000. If he goes to a bank to borrow some money to buy a new car, for example, or to buy a piece of machinery, his borrowing ability would be inhibited by the fact that a contingent liability for $40,000 was opposite his name. I wonder how many farmers who at first glance think this measure would be a lifesaver have given this point any consideration. In the past they may have had no difficulty in borrowing from the bank so as to buy more cattle or a new piece of machinery. It may well be that having regard to the contingent liability they would assume under this bill they would no longer be able to borrow the amounts they have been accustomed to borrow to help them in their normal operations.

I am not saying that this bill will cripple the borrowing ability of every farmer who takes advantage of it, but I am convinced that the ordinary farmer does not realize that this is a distinct possibility and I am not ashamed to say that I think this legislation should be referred to the committee on agriculture where this point could be gone into thoroughly, where it could be advertised and where members of this house could receive more instruction from farmers as to the possibility of these provisions harming their credit rating with regard to normal operations. Certainly, in setting up a scheme making it possible for farmers to expand we must take into consideration the fact that some farmers might be tempted to expand along lines they might not otherwise have considered. After all, it would take only a little money to get a big piece of expensive machinery and the people who are interested can see the tremendous potential which might be involved. I am not saying that the ordinary farmers of this country are not shrewd enough businessmen to decide whether they should or should not go into a new line. But I have had a great deal of experience of people who have found the over-ease of getting credit to be their undoing, and we should be neglecting our duty here if we tried not only to help the farmer but to help him in the best possible way. If we cannot do it in a better way than this, we should make sure that the farmers understand the limitations.

I have not tried to work out in detail a better way of doing what is now proposed but I suggest the government should consider the possibility of proceeding by way of private companies rather than syndicates. Instead of forming syndicates farmers might form small private companies whose articles of association would contain strict provision against a transfer of shares, possibly, in the case of death, for example, and providing also that membership should be limited to working farmers. Within this context it might be possible to evolve a scheme whereby each farmer could put up only the cash necessary to get started and be subject to call for the rest of the shares. He might, for example, put out $1,000 and be on call for $5,000 with the understanding that if the worst came to the worst $5,000 would be the extent of his liability. He would thus be assuming a limited liability which he could take into calculation. No matter what happened he would not be called upon to pay more. With farmers putting in this sort of money the government might work out a scheme of guarantees, guaranteeing if not 80 per cent of the loan then something fairly close to that figure. This I submit would remove the two basic fears I have. Farmers could no longer be called upon to pay the full extent of the contingent liability of the whole syndicate, and in the second place their credit ratings would not be inhibited by that contingent liability.

I have indicated that I can see ways in which small farmers could take advantage of this legislation by banding together and I do know that a great deal of co-operation is required among farmers at harvest time whether or not there is any question of a syndicate. But in the years I have been down here, remembering how much stress has been laid on the importance of the family farm and how much legislation we have passed to give such farmers a fair chance of earning a living, it occurs to me to ask how much

consideration the government has given to the possible effects of this bill. My hon. friend from Vegreville (Mr. Fane) called it political integration. I was thinking more in terms of removing a farmer from farming. Under the terms of this legislation it is only required that one person in a syndicate should be a full-time farmer; the rest need only be engaged in farming operations. We know the absentee landlord has been the bane of farming for a long time. I do not think it takes too much imagination to see the trend here. A person wishing to set up an operation to do custom harvesting for his neighbours cannot provide the elaborate machinery required. This operation, by the way, would not run the same risk with regard to weather, or the extent of the crop, as a farmer normally runs; at least, it would not be affected to the same extent. I can understand there are those who feel that this is one part of farming operations which is bound to be profitable. The capital required is only 20 per cent of the whole amount. A limited amount of capital is raised among those they intend to serve. Thus, at the same time they get people to help put up the money, bind them as customers and take a fixed rate for the use of the machinery owned by the syndicate.

I am not at all sure this is the type of farming operation we wish to encourage in this country. I am aware, although I am not a farmer, that there may be areas in which small farmers feel a need for some outside help at harvest time or during specialized operations. I do not pretend to know enough about farming across this country to speak without reservation but I believe the combined experience of the farm members of this house is such that the minister could obtain the kind of information he needs and the government could obtain the kind of direction it must have in order to solve this problem in the best possible way, rather than in a way which merely puts the best front on it.

I was intrigued last week when one of our members, I think it was the hon. member for Athabasca (Mr. Bigg), was asked a question by the hon. member for Macleod (Mr. Kindt). The Minister of Transport (Mr. Pickersgill) in what I thought was a most supercilious way said: "There go the experts, quoting one another". Having been a member of this house for a few years now, and having had the honour of serving with members on this side of the house throughout those years, having seen what they have done through their efforts in this house for the western Canada agricultural position, having some knowledge of how it came about, I have learned to respect the opinion of those members. If the Minister of Transport was being funny when he said the experts were quoting one another, I want to say very sincerely that those whom I consider to be the experts on agriculture in Canada today are the members in this house, who have demonstrated that they are experts in this matter.

It is for that reason, Mr. Speaker, that I feel so strongly that to avoid some of the pitfalls I see in this bill it should be sent to the agricultural committee. A little more knowledge about the subject is not going to hurt us; a little more opportunity for the farmers to learn a lot is certainly going to help them, no matter in what form this bill is finally presented. I therefore move, seconded by the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Paul):

That this Bill No. C-121 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture for further study and report.

Mr. Lloyd Francis (Carleton): Mr. Speaker, I propose to vote against the amendment which has just been made, because—

Mr. Kindt: It has to be seconded first.

Mr. MacNaught: It has been seconded.

Mr. Francis: I believe I am in order, Mr. Speaker. I propose to vote against the amendment which has just been made, because I believe that the legislation as it is before this house at the moment has received due and careful consideration. I believe, after listening to the debate and after reading the reports in *Hansard,* that it is legislation which will help the farmers of the riding that I personally represent. I intend to support this legislation and I do not believe it should be subject to any further delay, which I believe would be the result if the amendment which has been proposed were to be adopted by this house.

This is the time of year when the agricultural fairs, particularly the fairs of the Ottawa valley, are in full swing. Last Saturday I had the opportunity of visiting the Carp fair, where I discussed with a number of the farmers present what such a bill would mean to them and how it would affect them. Other fairs are now being held, and I am sure this is an opportunity taken by many members of the house to meet with their constituents and talk to them about just how such a bill would affect them and what it would do for them.

I know that the bill embodies a new principle, that of extending credit to a syndicate

or a group of farmers to assist them in acquiring machinery which they need in order to be more efficient in their operations. I have listened with interest to the debate from the other side of the house and have noted that some hon. members have expressed very grave concern with regard to the principle of this bill. I am happy to note that the speeches today have not been in the same vein. The speeches by the hon. member for Acadia (Mr. Horner) and the hon. member for Athabasca (Mr. Bigg), for example, seemed to me completely beside the point when they suggested that legislation which permits farmers voluntarily to co-operate and improve their situation in joining together to purchase machinery is somewhat communistic or socialistic. I am sure no one, on sober reflection of the facts, would really think this is the case. I know that as far back as August 26 the right hon. Leader of the Opposition (Mr. Diefenbaker) pressed the government to bring this legislation before the house. He asked a question, which is reported in *Hansard* at page 7288, as to whether there would be introduced in the house a measure to provide loans to groups of farmers to enable them to purchase farm machinery in the most economical manner. The minister indicated that such a measure was coming forward. The right hon. Leader of the Opposition then said:

> So there will be no misunderstanding I say to the minister at once, put this resolution on the order paper and it will receive immediate attention—

I am sure many hon. members are concerned that this legislation should receive immediate attention and should be enacted at the earliest possible date. Last week end I asked a farmer in my riding about this legislation. I have a very high regard for the opinion of this farmer. He is not one of my supporters, but that does not in any way affect the personal friendship which has existed for some time between us. I said to him, "How will this legislation affect you?" His answer was, "I do not think it will really help me very much. Maybe it will help the western farmers." I said, "I am not so much interested in whether it will help western farmers, because they are ably and forcefully represented in the House of Commons. I am more concerned about what it is going to do for the small family farms in the east. Would you use it?" He said, "How could I use it?" I said, "What are you worried about?". We chatted for a while about this and then he said, "I would certainly like to get a backhoe to take care of the drainage problems on the farm my son is now farming, and my own, in order to deepen the ditches at this time of year. I do not think I will be able to hire enough help to do this".

It seems to me, Mr. Speaker, that a backhoe is an excellent example of the type of machinery that could be bought by a group of three, four or more farmers. This farmer's son could get together with his neighbours, purchase a backhoe, and they could use it very successfully. This machinery is not used exclusively at harvest time, and they could use it at slack periods. It would certainly help them to improve their operations. I have found in talking to farmers about this legislation—and I have not been talking to them in a partisan way—that they believe they could use it; they felt it was a good thing; they felt it was worth trying.

I realize the problems that have been raised in terms of the possible impairment of credit and the incurring of too much credit, misuse of the credit machinery, and so on. We all know that unwise people can misuse any good legislation or any measure to extend credit; but I am satisfied that the great majority of the farmers in the riding I represent—and it is a fairly substantial rural area—would be happy to see this bill enacted at an early date. For that reason, Mr. Speaker, I am not going to support the amendment.

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker—

Mr. Choquette: I hope this legislation will be passed faster than the flag resolution.

Mr. Paul: Once again, Mr. Speaker, we hear the echo from Lotbinière. Instead of such an echo we would prefer a contribution by the hon. member to the business of the house. In fact, if he took the time to look at the scope of the bill now before us, I would not be surprised to see him get up, like our hon. friends opposite, and tell us it is an excellent piece of legislation.

On the other hand, after listening to the remarks of the hon. member for Strathcona (Mr. Nugent), we readily come to the conclusion, once again, that the government, through this legislation, is only throwing a bone at the farmers to make them believe that it is concerned with the farm problem in this country although it takes no interest at all and the purpose of this measure, like all legislation introduced by the Minister of

Agriculture (Mr. Hays), is to foster centralization, which, unfortunately, will mean the end of the family farm, of the ancestral land.

I listened with much interest to the hon. member for Richmond-Wolfe (Mr. Asselin). I know he is a gentleman farmer. He said that during the week end, he met farmers in his constituency and discussed this matter with them. I also had the same opportunity, Mr. Speaker, and I have the honour to represent a riding where farm lands are among the richest in my province. Indeed, it is a well known fact that this area extending south of the Laurentian plateau, between Champlain and Lanoraie, has the most productive and the richest farm lands in Quebec. Over the week end I met the farmers of my riding, and, strange to say, those who normally should hope or wish for such legislation are indifferent in this respect.

While the farms in my district, in the riding of Berthier-Maskinongé-Delanaudière, are the most productive, their owners are indifferent to the proposed legislation. They even asked me to suggest to the government the elaboration of a farm policy which would enable them to get a good revenue from their farms, rather than the possibility of borrowing, which creates neither markets nor additional income for the farmer, which would justify further facilities for borrowing, as provided by the legislation now before us.

As far as the short speech of the hon. member for Richmond-Wolfe is concerned, I very much liked his disguised but rather alarming invitation to the Minister of Agriculture, when he told him that the government should base its program on a national policy.

This is very serious, Mr. Speaker. This was a cry of despair from the hon. member for Richmond-Wolfe which he was unable to conceal. Even though, because of cabinet solidarity, he dutifully commended the Minister of Agriculture, he became, at one point, the spokesman of the farmers in his district, when entreating the Minister of Agriculture to enact farm legislation based on a national farm policy. That is what eastern farmers in the province of Quebec and those of my own riding are hoping for.

I feel that the bill now before us further contributes to the disappearance of the old homestead because, at the federal as well as the provincial level, there seems to be less and less concern for the small farmer, while the development of large farm operations is fostered, so that the farmer will not be master on his own land any more. And yet they used to tell us, in provincial politics, that one should be the master in his own house.

Ask the farmers if they are their own masters today. They have become the slaves of the feed mills and of the finance companies to buy machinery. And now the government introduces a disguised, camouflaged and ineffective piece of legislation which will supposedly save the farm economy in eastern Canada.

Mr. Speaker, I think that this legislation is highly disguised, as was so well pointed out by the hon. member for Edmonton-Strathcona (Mr. Nugent). Farmers must be warned against the dangers of such legislation. The Minister of Agriculture will tell us that it is an excellent bill since it enables small farmers to get greater financial facilities towards the purchase of machinery.

Mr. Speaker, if the farmer derives sufficient revenues from the sale of his products, if he is assured of stable revenues, if he is given appropriate outlets for his agricultural products, I do not believe that he will be obliged to belong to a co-operative, a syndicate or a group, in order to purchase the agricultural equipment which will enable him to obtain a maximum output on his farm.

There is a danger, Mr. Speaker, and I intend to ask the Minister of Agriculture several questions, because this is another attempt to intrude into the field of companies which come under civil law.

Once more the government is invading the area of civil law. Who will be responsible for the commitments and obligations of those who will form those syndicates? We do not know. Will the formation of those syndicates come under federal jurisdiction? For instance, in the province of Quebec, will it come under the act respecting professional syndicates, which requires a membership or participation of 20 persons to form a company? Is this legislation intended to settle the matter of civil law concerning companies? Besides, everybody knows, and it is well specified in the bill, as the hon. member for Edmonton-Strathcona mentioned a while ago, that each farmer will be personally and totally liable, jointly responsible, for the commitments he made or will make with his two other associates.

Mr. Speaker, is that a legislative measure likely to promote, stimulate and encourage agriculture, or is it not rather another means placed at the disposal of irresponsible farmers to obtain machinery? Suppose that three farmers living in a certain range in my riding, I shall not name them, but who live on a

sandy farm where only potatoes grow, suppose those three farmers form a syndicate in order to buy machinery. They are quite insolvent, not because they are dishonest, but because the income from their farm makes them insolvent. They ask for a loan to buy farm machinery under the provisions of the legislation now under study. What will happen if they cannot meet their obligations? They will get deeper into debt in the hope of growing perhaps I do not know what, on their farms, and being influenced by an excellent vendor who will tell them about the advantages of soil changed by a certain piece of powerful machinery which will enable them to increase their production. Will such action help the farmer and his children? I say no, Mr. Speaker.

The proposed legislation is also dangerous, because the farmer would have to mortgage his personal assets in case his two associates go bankrupt or become insolvent; the farmer would then risk losing everything he has because of the commitments he would have made.

If the minister would tell us that this experiment was tried in other countries, that the setting up of syndicates for the purchase of farm machinery was effective, that it was tried and resulted in real advantages, that it increased substantially the income of farmers, then we might wonder if we are in error or if the government is sincere. But such is not the case. We are told: here is another means to help farmers. After all, it is only another means at the disposal of the farmer to get himself into debt, and nothing in the legislation allows us to believe that he will be able to benefit from this legislative measure and increase his income following the setting up of this co-operative.

Mr. Speaker, I appreciate the problems the government experiences in order to satisfy somewhat the needs of the farming class, since it had promised so much and it gives so little. It is not with a measure such as this that agriculture will be saved, and I shall say more particularly in eastern Canada, for, if agriculture prospers in western Canada, it has become an alarm and a worry sign for the eastern farmers.

Mr. Speaker, when we see, for instance, the Minister of Agriculture taking no interest in measures which could effectively assist agriculture, we are not surprised when he introduces a measure liable to destroy even more the family farm, the ancestral land where agriculture was flourishing, whereas, today, those who operate those farms are not farmers but agricultural merchants.

This is why I wanted to specify that this legislation should be analysed and scrutinized from the standpoints of yield and profit. I was therefore pleased to support the motion of the hon. member for Edmonton-Strathcona. In the light of the information which may be provided by the agricultural experts and the farm machinery salesmen in the committee on agriculture and colonization, we may have more practical suggestions to offer to the minister before this legislation is passed, a legislation which by itself may be excellent but the administration of which may prove entirely inefficient and useless.

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I listened with great interest to the previous speaker and incidentally, I was more especially interested as my hon. friend belongs to a school of public speaking made famous by the former attorney general of the province of Quebec, Hon. Antoine Rivard. If I am reminded of one of our most distinguished judges of the Quebec appeal court today, I congratulate him on his elocution and thank him for his comments.

However, at the earnest request of the hon. member, I wish to take part in the debate to tell him that this legislation, like any other farm legislation proposed by this government, is not meant to destroy the family farm, but on the contrary, to strengthen and to restore it as well as to promote its development.

Mr. Speaker, the hon. member for Berthier-Maskinongé-Delanaudière seems to fear the idea of a syndicate. In my opinion, we cannot urge enough farmers, more especially those of the province of Quebec, to co-operate. Selfishness or self-centredness should not be stirred up among our farmers. On the contrary, they should be encouraged to co-operate with each other, because even though a farmer is entitled to his farm and to his holding, he does not have to live in reclusion.

On the contrary, he should co-operate with all his neighbours. I feel that our Quebec farmers have shown a lack of community spirit, of co-operation, because they had a tendency to be rather suspicious. It is encouraging to see a provision which must necessarily urge them to co-operate with each other in order to extend their holdings. That is why we cannot do otherwise than to gladly welcome this legislation.

The hon. member for Berthier-Maskinongé-Delanaudière is also a successful lawyer. He was so successful this afternoon that he managed to deliver a full speech without re-

ferring to the amendment he wanted to second, which proves he is an able lawyer.

Mr. Speaker, Conservative members are asking that this bill be referred to a committee. Yet the Conservatives accused us of being slow in providing assistance to farmers, especially eastern farmers. They accuse us of delaying our legislative program and of being slow to act. Now that we want to act, they practise obstruction. They want to put the bill off indefinitely, to refer it to a committee which will delay its passage when we are ready to act.

Where are those men of action? Where are those laggards who, for six years, put off giving eastern farmers an appropriate and adequate farm policy as claimed by them.

Mr. Speaker, it is asked to have this matter referred to the committee. I have very interesting statistics in hand. In January 1958, consideration was given to a piece of legislation called the Agricultural Stabilization Act. The opposition of that time, led by the present Prime Minister, asked that this measure be referred to a committee, and those who were then governing the country, those who are the Conservative opposition today, were opposed to referring this legislation to a committee for consideration.

Not long after, in 1959, the house had before it the Farm Credit Act and, at that time, the Liberal opposition asked that it be referred to a committee; but the Conservatives, then sitting on the treasury benches, objected.

A little later in the same year the Crop Insurance Act came before the house. The Liberal opposition of that time asked that consideration of this legislation, which was imperfect—since it was Conservative legislation—be sent to a committee, and the government of that time, now the opposition, objected.

In 1961, when the Agricultural Rehabilitation and Development Act was being studied, the Liberal opposition asked that the legislation be sent to a committee, and then again, those on the treasury benches, those now in opposition, opposed that request.

Four times those who sit in opposition today objected to farm legislation being referred to a committee. And today they think they have to take the very opposite view, not to say an obstructionist stand, in order to try to stop the government from helping the farmers, and that for the sole pleasure of opposing the bill and asking that it be referred for study to a committee.

Mr. Speaker, the eastern farmers have waited and complained long enough; they have long standing grievances and today it is time to act. We want to act without delay, we want to meet their needs adequately and I fail to see why this bill which cannot but contribute considerably to the prosperity of all Canadian farmers should be needlessly delayed.

The hon. member for Berthier-Maskinongé-Delanaudière says that what the farmers want is income and not credit. That is true but that is a somewhat fallacious argument because any man who wants to go into a business that will do well necessarily needs at the start enough credit so that his business can develop and expand.

Following modern technological developments, farm mechanization has become an essential need, a commanding necessity. With all the machinery they need, farmers can enlarge their holdings and, thus, get a higher income which is what the government wants them to have.

Mr. Speaker, the hon. member for Berthier-Maskinongé-Delanaudière also objected to the setting up of new corporations. The government does not intend to do any such thing, because we already have the Farm Credit Corporation which will be asked to look after farmers seeking loans.

However, I should like to bring one point to the attention of the minister. I should like the corporation to show more eagerness than it does at present, when it is asked for a loan. In fact, several farmers of my riding and some who live in the respective constituencies of my hon. friends rightly complain that the officials of the corporation take too much time to come and inspect their farms when they apply for a loan.

That is most unfair to farmers. The best way to speed up the processing of loans by the Farm Credit Corporation is to pass this legislation without referring it to a committee, since that would only delay its adoption.

Mr. Speaker, I have other remarks to make concerning this bill. In my opinion, the federal government does not give enough publicity to its legislation. I am not so sure it is advisable for the government to insert full page advertisements in large dailies to call the farmers' attention to the advantages of such legislation; I feel that efforts in that connection should rather be concentrated at the local level, so that farmers may take advantage of whatever benefits our legislation may offer.

Consequently, Mr. Speaker, even though I am against the amendment moved by the opposition, I felt I had to make these remarks

and call on all hon. members to vote against the amendment, thus bringing this filibuster to an end.

The Canadian people long enough have had to bear the very futile discussions on the Canadian flag.

We now have the opportunity to do something for the farmers, after six years of inertia on the part of the Conservative government. Let us implement this bill promptly.

This does not mean that we must dismiss right off all the amendments that may be introduced, but of course this bill has been examined before, analysed in its different aspects, and it is also obvious that the amendment submitted by our friends opposite is simply a dilatory measure that must be defeated as soon as possible when we get the chance to vote on it.

[*Text*]

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, while it is not my intention to oppose the passage of this particular bill I should like to draw attention to the fact that it seems as though much of our time in parliament is being spent, and has been spent, in discussing measures to get people further and further in debt. This has been something that has been rather disturbing to me ever since I had the honour of becoming a member of this house. Time after time we have been faced with this particular type of legislation. I suppose it is based largely on the fact that this has become more or less an accepted way of life for practically all of us. I suggest something must be fundamentally wrong with the economy when it has to be based on this particular type of legislation.

Thinking especially about the field of agriculture, I believe it would be acceptable if the facilities for credit were to be guaranteed to those who were just starting up in farm operations, the young people. This would provide an opportunity for them to get established. When it carries on and becomes an accepted principle, a continuing process, then I begin to question the advisability of extending it any further.

However, we are faced with this particular problem, not only in agriculture but I suggest in every other type of industry. Extended credit facilities are being granted and are being required to meet changing times and changing situations. It has been suggested that the measure which is currently before us is more or less a recognition of the fact it has become common procedure for farmers to get together and arrange to purchase machinery. I do not believe we are doing anything basically wrong. It has been pointed out to the house also that the number of times a farmer would use some of this machinery would not warrant his making the expenditure on his own. This is more or less a recognition of a common practice.

A question has been raised as to whether or not this legislation will assist the individual farmer to meet the competition of what can be called the company farm, or whether it will work out to the benefit of the company farm in opposition to the individual farmer and perhaps the family farm. This is something that possibly only experience will reveal. However, it should be borne in mind that there are dangers involved in this kind of legislative action.

Now, another question has been raised with regard to the liability of members of the syndicate in the event of one member dying or going bankrupt. I believe the hon. member for Cariboo (Mr. Leboe) the other day referred to the fact there should possibly be some type of insurance to cover such an emergency. I believe this is a suggestion that is worthy of consideration. I believe, Mr. Speaker, that an increase in production will tend to aggravate our problems unless the necessary attention is given to the distribution and consumption of the goods produced. I do not believe this aspect has been given sufficient consideration. If a farmer is assured adequate markets at adequate prices, then I believe the time will eventually come when he can take care of these additional expenses as they come up from time to time. I believe therefore we ought to have more adequate legislation or more consideration given to the matter of consumption in order that farmers will be able to obtain their fair share of the national income and be able to make provisions for expenditures on their equipment to meet their needs as they arise.

With reference to the amendment which has been introduced, I believe we should establish a principle whereby all legislation having to do with agriculture would be referred to the agriculture committee for consideration and detailed study. But as we are dealing now with Bill C-121 we must remember that extended debate has already taken place on it. I am not saying it has been too long a debate, but practically all the different aspects of the measure have been discussed. Questions have been raised, arguments have been advanced, and no useful purpose would be served by referring it now to the committee.

I understand that referring it to the committee at this stage would be tantamount to killing the bill, and I do not believe the farmers who are in need of this particular assistance would be very happy with any extended delay in the passing of this legislation. If the amendment had been brought in very early in the debate possibly we would have supported it and would have seen some advantage in it. However, at present I believe the people most concerned would be better served by passing the measure, giving time for experiment if necessary, and then bringing in amendments that might be required to make it more effective and more adequate to meet the needs of the agricultural community.

[*Translation*]

Mr. Albert Béchard (Bonaventure): Mr. Speaker, it is not my intention to delay indefinitely the passing of this bill, as I know that the farmers are waiting, but I want to say that the cat is now out of the bag.

The amendment that was just submitted by the official opposition, through the hon. member for Edmonton-Strathcona (Mr. Nugent), would, if passed, kill this bill and the farmers would be deprived of it, which proves once more the strange interest shown by the official opposition for farmers throughout Canada.

Since the beginning of the session the opposition has been claiming on television, in this house and everywhere else that the party in power is doing nothing for the farmers. Just a few minutes ago the hon. member for Berthier-Maskinongé-Delanaudière stated that we should rather be considering the establishment of a true farm policy. Now, the present government has introduced a bill to help the farmers and to facilitate the purchase of farm machinery which has become so costly today. This legislation is especially intended to help our farmers.

No later than yesterday I listened to farmers who told me they were satisfied with this bill introduced by the government. I was also told that the most serious problem which is facing the farmers today, and more particularly the small farmers, is the financial burden of the large investment required to purchase very costly farm machinery.

For instance, a farmer said to me: There are several machines that are used from time to time which farmers could use and pay for more readily if they were grouped together in a syndicate as provided in the bill.

The hon. member for Berthier-Maskinongé-Delanaudière tells us that the family farm is on its way out. I would ask the hon. member to move with the times, to keep abreast of automation and present-day developments both in agriculture and in the economy as a whole.

At this stage I want to say that I shall vote against the amendment, and, as soon as possible. I urge all the hon. members to give the bill the Minister of Agriculture has submitted their strong support, so that our farmers, and particularly those in the east who need assistance at the present time, may be relieved of the burden that is weighing them down and hindering them from cultivating their lands since to do so they need expensive machines which are a constant burden on their budget, as every year they are obliged to make payments and meet heavy commitments so that in the end their income is $1,200 or $1,000, an income that is quite inadequate to maintain a farmer and his family.

One of my colleagues tells me that in the Gaspé peninsula, the Catholic farmers' union has launched a campaign to collect $50,000 in order to help farmers get the heavy machinery they need nowadays on their farm and which they cannot get individually because their income does not allow them to do so.

In my opinion, this legislation is a step toward the evolution of our agriculture and toward success for our eastern farmers, because it will enable them to get a larger income so that they can support their large families.

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, I shall take only a few minutes to express my views on Bill No. C-121, now before us.

Just a few minutes ago we heard the hon. member for Lotbinière (Mr. Choquette). I must admit that his speech was rather eloquent and that it reminded me of those he made during the electoral campaign. I note, on the other hand, that what he promised during the electoral campaign he has not yet requested even once in this house, namely, the setting up of a department of agriculture for eastern Canada. Still, he did promise his constituents that, once in Ottawa, he would ask that such a department be instituted. The next time he addresses the house, I should therefore like to ask him to tell the house what he promised during his electoral campaign in this regard.

If the bill we are now studying constitutes a real find for the Department of Agriculture, I must say that in my opinion it is not much of a find. Indeed, the thinking behind this bill does not reflect at all the

spirit of the province of Quebec or, perhaps I should say, that of eastern Canada's farmers.

I quite understand that the Minister of Agriculture (Mr. Hays), being a member for a western constituency should be inclined to think and act as a man from the west; in short, he attempts to legislate in terms of agriculture in western Canada.

It is obvious that Bill No. C-121 will do no good to the agriculture of eastern Canada.

As pointed out by the member for Berthier-Maskinongé-Delanaudière (Mr. Paul) a little while ago, this measure is just an attempt to eliminate family farms in eastern Canada. So we ask ourselves whether the federal Minister of Agriculture has not been advised by the minister of agriculture of the province of Quebec to the effect that 35,000 farmers in the province of Quebec should, within a few years, leave their farms in order to make room for larger units and, to this end, 35,000 farmers must abandon their farms so as to permit others to buy, enlarge and transform them into some kind of collective farms.

What I find strange in this bill is that in the second paragraph, for instance, we read:

> Where an individual has two or more major occupations, one of which is farming, the corporation may determine which of such occupations is his principal occupation for the purposes of this act.

There lies the danger. Anybody will be able to start farming knowing that if he declares that his main occupation is agriculture —even if he has another one—it will be sufficient to own a small farm to be declared a farmer, in short to be known as a person engaged in agriculture. So anybody will be able to avail himself of Bill No. C-121 to borrow from the federal Department of Agriculture or from the Farm Credit Corporation.

Under the circumstances, I do not think that this bill will prove useful to the farmers of the province of Quebec, because in that province agriculture is quite different from that in western Canada. I would be inclined to say that this legislation would be more appropriate to the western farmers, because they can join together to purchase heavy machinery, in view of the great size of their farms.

In that part of the country farming is not at all like that in the east where we have diversified agriculture. Moreover, the soil itself is more diversified. Our products are also much too diversified for farmers to take advantage of this legislation and purchase heavy machinery.

All production is not diversified. There is wheat, for instance, which may extend all over a province. The same is true for other crops. But it cannot apply in the province of Quebec, because we have too great a diversity of soil, products and crops. Therefore, I say that the legislation now before us does not apply at all to the province of Quebec, and will only push our farmers further into debt. We know that more than 98 per cent of our lands in the province of Quebec, are owned or operated under farm credit. How can our farmers get out of this economic depression in which they are today? Getting deeper into debt will hardly solve the problem.

We know that between 1940 and 1964, the prices of farm products remained practically the same, whereas during the same period, the prices for machinery or other equipment used for production has trebled. Do you think, Mr. Speaker, that it is possible to make a profit when prices remain the same while the cost of machinery trebles?

Mr. Speaker, even if the purchase of machinery were made easier, and the farmers were authorized to go to Ottawa, or Quebec, for the money required to buy equipment and machinery, while the government did nothing to market our farm production, I hardly think it would help our eastern farmers.

Mr. Speaker, there is an obvious lack of co-operation between the federal and the provincial departments of agriculture. In Ottawa, there is a certain partiality towards the agriculture of western provinces. If western farmers produce wheat or anything at all, they can count on the required sympathy of the federal Minister of Agriculture to market their production; if the minister does not succeed in disposing of all their wheat, he will pay them a subsidy even if there is a crop failure because of drought, rain, grasshoppers, etc. And what is done for the farmer in the province of Quebec when he has a crop failure? The Quebec department of agriculture is blamed for it. Yes, I find that there is a lack of co-operation between the department of agriculture of the province of Quebec and the federal department in Ottawa to assist the farmers in the province of Quebec. But I wonder whether that was the policy advocated by Hon. Jean Lesage when, two days before the 1963 election, he told the people of Quebec: "Vote Liberal in Ottawa and things will go well with a Liberal government in Quebec." We now have a Liberal administration in Ottawa

and a Liberal administration in Quebec, and our agriculture keeps deteriorating.

An hon. Member: How were things under a Conservative administration?

Mr. Boutin: When we had a Conservative administration in Quebec as well as in Ottawa, it was no better, but we find that things are even worse now that there are Liberals at both places.

Mr. Grégoire: It is true.

Mr. Boutin: Mr. Speaker, I should like to mention here a formal promise made by the Liberal party, through the Prime Minister (Mr. Pearson) and the hon. member for Lotbinière (Mr. Choquette), namely that if the Liberal party were elected there would be a minister of agriculture for eastern Canada. Many farmers were trapped and voted for the Liberal party in the hope that it would set up a department of agriculture for eastern Canada. Today we know the disappointment of farmers, indeed the disappointment of farmers in the county of Lotbinière.

Mr. Speaker, there is what I would call a western thinking on legislation introduced here, and I wonder if the best solution would not be to let Quebec look after its own agriculture. Some perhaps will shout "separatism" but I am not a separatist.

Because of its special agriculture, of the diversity of its soil, of its products and crops, why would the province of Quebec itself, and only itself, not look after its agriculture? Then the federal government might leave the administration of agriculture to the province of Quebec, since there is a complete lack of co-operation between both departments of agriculture? The provincial government does not want to ask the federal government and the federal government does not want to give to the provincial government. We always meet with difficulties. Would it not be better if the provincial government would look only after its agriculture and the federal government—

Mr. Deputy Speaker: Order. The hon. member will allow me to interrupt for a moment in order to remind him that the bill before the house is Bill No. C-121, an act to provide for the extension of credit to farm machinery syndicates. Consequently, I would suggest that he limits his remarks to the principle of the bill.

Mr. Boutin: Mr. Speaker, if you limit me to the principle of the bill, I shall be through with my remarks, since I see in it nothing good or special to assist the farmers in the province of Quebec. And I should state that even if I am not in favour of this bill, I shall support it.

An hon. Member: Be consistent with yourself.

Mr. Boutin: In two or three years it may be seen whether this bill was really favourable to the farmers of the province of Quebec, whether there has been an increase in profits for our farmers. Then our farmers may answer yes or no to the bill presently before us.

Mr. Speaker, I do not believe, as I was saying a while ago, that to get the farmers even more into debt is a solution to get them out of the depression in which they presently stagnate.

I believe it would be preferable to find outlets for the products of our farmers in the province of Quebec instead of getting them even more into the red, as the Liberal government took pleasure in doing since it came into office.

[*Text*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I regret very much the statements the previous speaker made, with what is definitely a provincial and parochial attitude. I am not a farmer; I do not represent a farming constituency; but as a member of the House of Commons I have a great interest in, and I hope a knowledge of, the problems of farmers whether they be from western Canada, eastern Canada, from British Columbia or Quebec. A bill which is aimed at assisting many of the farmers of Canada, irrespective of the province in which they reside and operate, is most certainly worthy of the favourable consideration of this house.

In principle, sir, I am in support of the bill that is now before us, because it is an endeavour to meet one of the big problems of farmers in their operations in what is now an automated age. Automation hits farmers as well as industry. I am also in favour of the amendment which has been moved to have this entire question referred to the agriculture committee. It is basically on the amendment, in accordance with the rules, that I desire to speak.

Mr. Speaker, anyone who knows Canada and the problems of agriculture, the cost of machinery, the inability of an individual farmer to get machinery on his own, must know that in principle the bill introduced by the government is a step in the right direction; even if, as one hon. member a few days ago

described the measure, it is creeping socialism. We have had creeping socialism for a long time, and as a matter of fact every progressive move is a move toward socialist principles. The principle of the bill is good; it is in fact excellent, and I commend the government for introducing it. But I also commend the official opposition for recommending that it be now referred to a committee. Why do I take this position, Mr. Speaker? It is because without any doubt improvements can be made to the bill in the interests of the farmers of this country, and on the agriculture committee we have representatives from all parties of those who are interested in agriculture; we also have practical farmers who know farming and its basic operation.

I am convinced that a reference of this bill to the agriculture committee, if it is considered—as I am certain it will be—on an unbiased and non-political basis, will result in the bill being referred back to the house strengthened with the advice of the all-party committee. It will be referred back to the house with the changes required to resolve the doubts that are in the minds of some of us at the present time. I refer for example to the question of the interest rate. As I understand the principle of the bill and as I have discussed it with hon. members of this house, I am not sure what is the interest rate and whether it basically means that farmers co-operatively working under the provisions of this bill will not be paying a higher interest rate than that actually charged by the banks. I have not found one member of the house with whom I have discussed this question who can make it clear to me that this will not be the case.

Perhaps of even more importance than that however—and this is a matter that will be discussed if the bill is referred to the agriculture committee—is a principle that is most involved and, unless clarified, most dangerous. I refer not to any clause but to the principle of the bill, whereby a number of farmers, each of whom individually cannot buy the machinery needed to work in the agricultural, automated sector, can get together in order to buy this machinery. Let us say that one farmer puts up $1,000, one $10,000 and one $20,000. Each one, including the farmer who puts up $1,000, under the bill as I read it is responsible for the entire cost of the machinery to be used in their co-operative operation. In other words, if a farmer puts up $1,000 and goes to a bank for a loan for something else, his commitment is not for $1,000 but is for the entire cost of the co-operative enterprise in respect of the purchase of this machinery. That is the way I read the bill. I am certain that is not what was meant to be the principle when the government introduced this measure. I am sure it was not intended that one farmer who is part of a co-operative ownership in order to build up the efficiency of his farm should be held individually responsible for the entire cost of the machinery purchased. I raise this question, Mr. Speaker, because I cannot read this bill in any other way.

Mr. Francis: Mr. Speaker, may I ask the hon. member a question?

Mr. Deputy Speaker: Does the hon. member for Vancouver East (Mr. Winch) wish to reply to a question from the hon. member for Carleton (Mr. Francis)?

Mr. Winch: Yes.

Mr. Francis: I think I understand the effect of the amendment, which would be to refer not the bill to a committee but the subject matter of the bill. Does the hon. member not understand that this would kill the bill?

Mr. Winch: Does the hon. member actually want to put that question to me? Is he saying that on second reading of the bill reference of the subject matter to a committee means that the bill is killed?

Mr. MacNaught: Absolutely.

Mr. Winch: I presume the government are going to pass the principle of the bill. If they are not, then why in God's name did they introduce it? If the hon. member wants to raise a technicality then that is all right. But I am saying that the bill should be referred to the committee on agriculture and that that committee, which is representative of all hon. members of the house and composed mainly of practising farmers, would then have the opportunity of going over the bill and making representations to this house. It is on that basis that I am discussing this amendment. I agree 100 per cent with the principle of the bill and I am glad the government has brought it in. I also agree that it should be referred to the committee, because I think it can be strengthened, and the Minister of Agriculture will welcome that. The committee will take care of the phases of the bill which disturb some of us. I am not allowed to make reference to any of the clauses, but hon. members who have read the bill will know the clause to which I refer. Therefore I hope that the bill will be referred to the agriculture committee and that the government will give

consideration to the recommendations of the committee. In this way we will preserve not only the principle of the bill introduced by the government, but it will be strengthened in the interests of the farmers of Canada.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, there has been considerable discussion of this bill. The minister is well aware by now that there are some reservations to it and that some legal points have been raised. I believe the mover of the amendment in stating that there was a vast amount of credit tied up for the individual farmer which might go into these syndicates, stated a fact, but perhaps by some legalistic change in language this problem could be relieved. I would be prepared to support the bill and oppose this amendment if the minister would give us an assurance that the bill will go to the committee. I cannot imagine the minister would oppose that step. I know there would be a little delay, but this is one of the first pieces of legislation that the minister has moved and I believe there are serious reservations on this particular aspect of the bill.

It is unfortunate, our rules being what they are, that we are not allowed to do by motion what in fact we want to do. It is true that if we support this amendment in effect we kill the bill. I am not really worried about that because if the minister feels strongly enough about this matter he will reintroduce it in another form in such event. But if the minister would give us an indication whether he is willing to send this bill to committee it would save us a lot of grief and would also help the farmers who want to take advantage of it.

I do not think the minister is a lawyer and certainly I am not, but I did listen with interest to the point which has been made. It is not so much a question of liability because, as the hon. member for Cariboo said, we could insure against that. The difficulty is the tying up of a large amount of credit so that the farmer who takes advantage of these loans would not be able to get any credit from the bank to assist in other parts of his business.

It seems to me that what the minister is suggesting in principle—and I am in agreement with it—is that we make a loan available to allow farmers co-operatively to buy machinery above and beyond that which is purchased by, and is within the capability of, an individual farmer. If he does take advantage of it, then it does not necessarily mean that he has exhausted his capability in the normal sense. This legal point is so interesting that I personally would like to see the minister indicate that he is willing to send the bill to a committee for consideration, even with instructions to the committee.

I regret that our rules are so stupid that we cannot do by direct means what we want to do. Doing directly what we want to do will not accomplish in the end what we intend to do. This is a quandary which could easily be solved by the minister giving us this assurance, that the bill will be referred to a committee. I suggest this is not asking for very much because this is new legislation. As I read the bill it is mainly directed towards the purchase of heavy equipment, a field in which the farmer is not normally able to participate, and a few days or weeks will not be that important. I believe the success of this type of legislation is important enough that the minister should give that kind of assurance. If he does not, then I can only come to the conclusion that he is not interested in giving consideration to the arguments which I think have legitimately and honestly been raised.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I just wish briefly to say that the members of this group have expressed their support in general of the principle and purpose of this bill. But we have also expressed a desire to know more about what the clauses of the bill mean, how the legislation will be administered, and we also wish to ask many other questions. We do not want to kill this bill. Unfortunately, the amendment moved would have that effect because it simply reads:

> That this Bill No. C-121 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture for further study and report.

I am not sure whether the mover realized that if this amendment carried it would kill the bill. Therefore, in view of the criticisms which have been directed at the bill by members in all parties on the opposition side of the house, and their general desire for more information on the purpose of the bill, its administration and so on, I join with the hon. member for Timiskaming (Mr. Peters) in urging the minister to agree that this bill be referred to the agriculture committee for study and report after second reading.

Mr. Nugent: Mr. Speaker, might I try to explain to the house what is the purpose of this amendment?

Mr. Deputy Speaker: The hon. member for Edmonton-Strathcona (Mr. Nugent) has al-

ready participated in this debate and under our rules cannot speak a second time unless there is unanimous agreement that the hon. member be allowed to participate in the debate for a second time.

Mr. Baldwin: On a point of order, Mr. Speaker. A point of order has been raised by inference as to the quality of the amendment which has been moved, and I think on this aspect of the matter the hon. member should be permitted to speak, as well as under the other heading.

Mr. Deputy Speaker: Before an hon. member can speak a second time he must obtain the unanimous consent of the house. Has the hon. member the unanimous agreement of the house to speak a second time?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, before unanimous consent is considered in respect of the hon. member for Edmonton-Strathcona (Mr. Nugent) speaking a second time, I think we must very carefully consider the implications and ramifications of carrying the amendment. It seems to me it would have the effect of killing the bill.

I think there is some useful purpose to be served by referring Bill C-121 to the standing committee on agriculture and colonization for further study and report. However at the same time, if this bill continues through its normal course in parliament it will be considered by the committee of the whole house, at which time much of the discussion which would take place at meetings of the standing committee could take place. If it was desirable and possible to call expert witnesses in respect of the provisions of this bill, which certainly is the intent of sending it to a standing committee, that might be appropriate.

We all know there is provision for witnesses to be called before a standing committee of parliament and that it is not possible to call witnesses before a committee of the whole house. We must realize that the provisions of this bill to provide financing for farm machinery syndicates represent a complete and new departure from usual financing, and therefore as far as I am concerned, there are no experts as to how this could be applied. So who could testify before such a standing committee? Who could be called as an expert witness in this regard? Individuals could be called only for the purpose of obtaining their opinions of what might happen. This particular method of financing has not been used in the past, and no one could therefore have any idea of how it would operate.

Rather than accepting this amendment, and in effect killing the bill, I think it desirable that this house accept the principles of the bill, go into committee of the whole and take advantage of the opportunity afforded at that stage to cross-examine the minister on the various aspects of the clauses, following which it should be passed and allowed to enjoy a trial run of a few months or a year.

Many questions exist in my mind in respect of the usefulness of the proposed legislation, and I can anticipate many problems. There is no way in which we can obtain satisfactory answers to those questions, both in my mind and those raised by other hon. members, by calling witnesses before a standing committee.

We have heard a great deal of discussion as to whether farmers can obtain loans and purchase certain pieces of equipment to be used on more than one farm. I suggest this is something which must be decided by experience. Certain implements used for the harvesting of crops are of sufficient capacity that they can be used by different farmers during different periods of time, provided the harvesting period is of sufficient length. However, I admit that when crops are ripe for harvest it is difficult for a farmer, who may have a joint interest in a piece of harvesting equipment, to stand aside and watch his neighbour use that piece of equipment at a time when climatic conditions are favourable.

Many other pieces of equipment, such as heavy motor trucks, can be used without difficulty for short periods of time on different farms by co-operation. I think that sort of co-operation in the use of machinery could be very effective toward meeting the needs and demands of farmers holding an interest in the equipment.

At this time we are not aware of the kind of corporate structure these syndicates or co-operatives are going to have, and I do not believe we are going to know after calling witnesses before a standing committee. We are aware of provincial laws which provide for setting up small corporations or co-operatives, and while this proposed legislation may be sufficient to meet the needs of incorporation, so that such an entity could take advantage of the credit proposed in this bill, I personally think that those provincial laws are of such a nature they will require amendment. Perhaps the provisions contained in this bill, in light of provincial legislation, would require too complex a structure, and

would involve a great deal of bookkeeping and organization. Perhaps we should ask the provinces to pass complementary legislation to simplify the structure of these syndicates, enabling them to qualify for this proposed credit.

Mr. Speaker, I think all these things will be clear after the bill becomes law and that law is subjected to a trial run. I think the farmers should be allowed to consider the law and test it to see what kind of problems will be created. Perhaps in a year or two after passage of this legislation it should be looked at again in light of experience and the knowledge of its weaknesses, and then amended. In the meantime I am convinced that we ought to accept the principles of this legislation, rather than adopt this amendment which could have the effect of killing the bill.

May I call it six o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: Order. It is my duty pursuant to standing order 39A to inform the house that the question to be raised at ten o'clock on the adjournment is as follows: the hon. member for Yukon (Mr. Nielsen)—royal visit—omission in press release of reference to leader of opposition.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed consideration of the motion of Mr. Hays for the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates.

Mr. H. A. Olson (Medicine Hat): I had completed my remarks at six o'clock, Mr. Speaker, perhaps with the exception of saying that we cannot accept the suggestion this bill ought to take the course the amendment indicates which would, in effect, destroy it before it is accepted in principle.

[Mr. Olson.]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I have been invited by several hon. members opposite to intervene in this debate at this stage to explain—

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I just want to be clear that the minister is not closing the debate. I believe he is speaking to the amendment.

Mr. Deputy Speaker: That is quite so. In any event, the Chair is required under the rules to caution the house that the minister is closing the debate, and when the Chair does not the minister does not then close the debate.

Mr. Hays: I am more than pleased, Mr. Speaker, to accept this invitation to speak at this time. I think it is time I pointed out to you, Mr. Speaker, and to all the farmers of this country just what is going on here. I know that this is legislation which all the farmers in this country, in eastern Canada as well as western Canada, need and want. Yet, first we have the Conservative opposition attacking this legislation as useless, as foolhardy, and even as communistic. Not only have the Tories delayed this legislation, but now they want to kill it. As every informed member of this house understands very well, the effect of the amendment moved this afternoon by the hon. member for Edmonton-Strathcona (Mr. Nugent) would be to kill this bill right here. Of course it would also bring down the government and force another election on the Canadian people. Is this what the right hon. Leader of the Opposition (Mr. Diefenbaker) talks about when he says he wants to see some action in this house?

Since the amendment was introduced, Mr. Speaker, there have been suggestions that the hon. member who moved it did not really know what he was doing. However, I believe the hon. member did understand that this amendment, if passed, would kill this bill without any further discussion. I would point out that from the hon. member's own lips this afternoon we heard about his legal training; we heard he was a lawyer, and he was going to tell us how he would protect the farmers from falling into the trap which, in his legalistic mind he thought he saw in this legislation. Let us make no mistake about this. He knew what he was doing when he moved this amendment. If he did not, then that is an even worse reflection on his capacity to come in here and speak for the farmers of this country. In addition to that, he is from my own province.

I suggest that this amendment is typical of the attitude of the official opposition all through this session. I suppose I have been subjected to as much criticism from the Tory benches this session as any other minister. I have listened to the right hon. Leader of the Opposition condemn me for being an auctioneer, for travelling around the country trying to learn from personal experience and conversation with farmers what their problems are and what they need from this government. I have heard him say specifically that nothing is being done for the farmers: When are you going to bring in legislation?

Mr. Horner (Acadia): Tell us what this legislation is going to do.

Mr. Hays: I have even heard him say, bring it in and we will pass it. I have brought it in.

Mr. Horner (Acadia): And we are in the process of passing it.

Mr. Deputy Speaker: Order; may I bring it to the attention of hon. members that the Minister of Agriculture has the floor and should not be interrupted?

Mr. Hays: Not only have the Conservatives delayed this measure with long, repetitious speeches, but now they would go all the way and dispose of this legislation, which offers a completely new approach to this most basic problem, the cost of essential machinery. They talk about sending this bill to the agricultural committee for answers to their questions, and then they try and kill it before giving me even the usual opportunity that is provided to answer these questions. The hon. member for Edmonton-Strathcona is an experienced member of this house. Surely, he knows very well that once the principle of this bill has been approved we would go into committee of the whole house, at which time every member can ask the questions he wants to ask. I am prepared now to answer the questions that have been raised so far.

First of all, I should like to say that I share the view expressed by the hon. member for Medicine Hat (Mr. Olson) that we should first give this legislation a try. This is new, experimental legislation. After it has been in operation for a year or so, if we find it needs amending I will be pleased to introduce those amendments and submit them to the agriculture committee. However at this stage I believe the farmers of this country would like parliament to pass this legislation. Let us get it into operation in time to help them plan for their spring operations.

Before I go into the questions raised at an earlier stage of this debate, let me refer to one raised this afternoon by the hon. member for Edmonton-Strathcona. He suggested that this bill will tie up farmers' credit in syndicates and in machinery. This has not been the experience with the British farm machinery syndicates. In fact their experience has been exactly the opposite. They have found that when a machine is owned by several farmers, each will invest in it only his share of the purchase price. This will be a smaller investment than if he owned the same machine on his own, and may even be smaller than if he had owned a smaller or older model. The British experience has shown that this capital, which is not needed for investment in his own individual machine, will be available for investment elsewhere. In fact we found the large majority of British syndicate members considered the syndicates had enabled them to reduce the amount of their capital invested in machinery. For these farmers the British experience has shown that special credit to assist in the purchase of shared machines will, in fact, have the effect of increasing the amount of capital made available for other investments.

I have studied the remarks of everyone who has taken part in this debate, and studied them with great care, especially those who indicated they were either opposed to this legislation or not very impressed with it. I was disappointed to find not a single helpful suggestion or useful alternative proposal in any of the remarks of those who were most critical. The hon. member for Cariboo (Mr. Leboe) had a suggestion to make which could be considered as worth while. He indicated he supported this bill, and I will refer to his suggestion later in my statement.

I was especially disappointed in the contribution to this debate by the hon. member for Acadia (Mr. Horner). He has spoken twice on this measure already—

Mr. Horner (Acadia): I will speak twice more.

Mr. Hays: —but although he was extremely critical of it I could find nothing in his remarks that could be taken as a positive suggestion for some better way than this to relieve our farmers, especially our smaller farmers, of their high machinery costs.

I intend to give some specific examples in this statement, as to just how this legislation will help the small, family sized farmer improve his operation and increase his income. From my experience, they seem self-evident

to me, but for the sake of those who either cannot or, for their own, I think, rather childish political purpose, will not see these advantages to the family farm in this legislation. I want to spell them out.

To be perfectly frank, Mr. Speaker, I can't help but think that the hon. member for Acadia, and others on the Tory benches, cannot quite decide what to do about this legislation, whether to support it in the obvious interests of the farmers, or to attack it for whatever partisan political mileage might be made. As I will show later on, in his first speech on the resolution, even while being critical as he thought it was politically safe to be, the hon. member for Acadia himself mentioned several beneficial uses to which this legislation can be put by farmers in his own area. In what I can only interpret as the cheapest kind of two-bit partisan politics he described this as one more example of the millionaire's approach to our farm problems. Then in his second speech he turned around completely, and suggested that this is a kind of communist approach to farm problems.

Mr. Speaker, I wish he would make up his mind. In his second speech, he suggested this legislation would not only undermine our farmers' independence, but would lead to a communist type of collective farming. What surprises me about this kind of attitude is that I know the hon. member personally, and find him usually a reasonable and fairly well informed person outside this house. As I listen to him make this kind of an attack in here, on legislation I know will be most useful to farmers in every part of the country, I can't help but think that sometimes there is more political chinook wind blowing in this chamber from that hon. member's place than we ever get, even in southern Alberta.

This legislation will substantially reduce the investment small farmers have to make in necessary equipment. It will enable them to farm more efficiently and profitably, at a lower investment in machinery than ever before, if they take proper advantage of this legislation and are not misled and confused about it by the partisan politicking of certain hon. members opposite.

I found a very similar pattern in the two contributions made by the hon. member for Rosthern (Mr. Nasserden). Although he was critical of the measure at the resolution stage he did say, as recorded in *Hansard* on the top of page 8064, that he did not intend to indicate this is a useless measure, and further on listed specific items of machinery he thought could usefully come under this legislation.

But then we heard the right hon. Leader of the Opposition (Mr. Diefenbaker) who, of course, is a lawyer and not a farmer, and probably cannot be expected to understand these things. We heard him describe this, as recorded at page 8302 of *Hansard*, second column, as "ill-digested, ill-considered and completely insufficient".

Then we heard the hon. member for Rosthern sing a different tune. Then he decided this would be useless and not worth voting for, and that it is "foolhardy" legislation. Well, I am perfectly willing to let the farmers in his constituency decide where the foolhardy name really belongs.

As I have indicated, Mr. Speaker, some hon. members have raised some questions about this legislation, about the way it will operate and its possible results. I want to answer those questions and remove whatever honest concern members really feel about this legislation.

Let me emphasize again that this bill was designed primarily to assist the family farmer to cope with the new problems he faces in modern agriculture, and in particular the mounting cost of the machinery he needs to make a decent living. The federal government, as informed hon. members know very well, does not have the power to control prices, except in wartime. So we could not try to control farm machinery prices directly, even if that were considered desirable, which I am sure most hon. members would agree it is not. Short of price controls, this legislation can have as beneficial an impact on farm machinery costs for individual farmers as any other action the government could take.

This legislation was developed from the experience of farm machinery syndicates operating in Britain. It has been designed to meet the needs of Canadian farmers, but I think some points from a study of the operations and advantages of farm machinery syndicates in Britain, prepared by the department of agricultural economics at the University of Reading, England, are worth putting on the record.

To the question: "What happens when everyone wants the machine at the same time?" the report has this answer: From a technical point of view, the problem of arranging a machine's program to cover several fields on several farms is not different from that of arranging a similar program covering several fields on only one farm. The distance between fields is likely to be greater when

several farms are concerned, but with present day speeds of road travel, the time taken, even when farms are several miles apart, is negligible, and can often be done when the weather is bad or crops are not yet ready. The main requirement is that the total work load of each machine should be well within the capacity of the model chosen.

To ensure that each syndicate member has a fair share of the machine's use, specific provisions for sharing are spelled out in each agreement. But the British experience has shown that the general spirit of good neighbourliness and of give and take has proven a sufficient safeguard in itself.

What about disagreements among members of a syndicate? On this the British experience is that the risk of disagreement can be minimized, by ensuring that only those machines are selected which are able to deal comfortably with the total work load and the whole range of crops and soil conditions likely to occur.

What about loss of independence? The Reading University report says "sharing, by its very nature usually involves some loss of independence." Then it continues:

> Whether this constitutes a serious difficulty depends on whether the inconvenience and cost of any independence lost ... outweighs the advantages gained by the sharing.

The report adds:

> However, not a single member referred to loss of independence as constituting a difficulty. On the contrary, some who had previously been hiring or borrowing, said that by joining their syndicates, they had achieved greater control and certainty over specific operations.
> In some areas—

—the report continues—

> —it was claimed that good neighbourliness and co-operation generally had improved as a result of syndicates.

I have every confidence that these and other beneficial experiences of British farmers in the syndicate use of expensive farm machinery will also be the experiences of Canadian farmers who make use of this new legislation we are debating here today. I think the savings from co-operative ownership and use of farm machinery should be obvious to every hon. member.

To make it easier for farmers to co-operate in this way, the bill proposes the formation of syndicates. As the parliamentary secretary (Mr. Beer) indicated when he opened debate on the second reading of the bill, the syndicates as proposed in this legislation are, in effect, partnership agreements between three or more persons engaged in farming.

Some speakers, and in particular the hon. member for Athabasca (Mr. Bigg) expressed fears that this would promote corporation farming. If you refer to the definition of syndicate, as contained in the bill, it will be noted that a syndicate is an association, formed by an agreement between three or more individuals who are engaged in farming. Because corporations are not individuals, it is apparent that corporations would not be eligible to be members of a syndicate. Furthermore as loans can only be made to syndicates, a corporation would not itself be eligible for a loan. However, a farmer who has organized his enterprise into a family farm corporation could, as an individual, co-operate with his neighbours, in a farm machinery syndicate.

The syndicate arrangement provides a simple and effective basis upon which three or more persons engaged in farming, in separate farm enterprises, may co-operate in the purchase and use of farm machinery. It does not involve formal incorporation, and it does not encourage or promote vertical integration, as has been suggested by some hon. members. It is a simple method for our individual Canadian farmers to join together in a co-operative venture, and in this way it will help them to compete against corporation farms. In this connection, I might refer any interested hon. member to the latest issue of the *Family Herald* and an article about the Knight family in the Lacombe-Stettler area of Alberta. It tells how a farmer and five of his sons run a very successful co-operative family farming venture and in one paragraph it makes this point:

> Such a farming venture has advantages for all partners, the machinery pool being perhaps the biggest one.

It goes on:

> The hired help situation has been solved as they pool work. The young Knights have been taught to keep their credit in good order and such security makes financing easier.

At another point the article says:

> Since the Knights avoid overlap in machine buying, they can afford some 'frill' machinery that the individual farmer cannot afford.

I would particularly like to recommend this whole article to the hon. member for Acadia (Mr. Horner) the hon. member for Rosthern (Mr. Nasserden) and the hon. member for Bow River (Mr. Woolliams) who described this legislation as "absolute non-

sense" as shown in *Hansard* at page 8307. I would like to hear hon. members tell that sort of thing to the Knight family.

The hon. member for Kent (Ont.) (Mr. Danforth) has questioned the fact that all members of the syndicate need not be persons whose principal occupation is farming. I would like to point out that all members must be engaged in farming and the majority of members must have farming as their principal occupation. We think it would be wrong to exclude from participation in the benefits possible under the proposed legislation those farmers who find it necessary in the initial years of establishment of their farms to hold a full-time job off the farm. We think this is one of the ways to help them to develop and establish their farm units. Furthermore it may frequently be a real advantage to full-time farmers to co-operate in a syndicate with a neighbour who is farming but who has other employment and who may share in the use of the syndicate's equipment and in the cost of its operations. As the parliamentary secretary indicated in opening the debate on second reading, the bill provides for this kind of co-operation; but to ensure that full-time farmers are the chief beneficiaries the majority of the members of any syndicate must be farmers by principal occupation.

Some hon. members have suggested that the bill is a method of compelling farmers into co-operative ventures. This is just more political chinook blowing. There is nothing in this bill which would in any way limit the rights of any individual farmer to obtain credit from any of the sources presently available to him, including those two measures which have recently been amended and brought up to date in this session, the Farm Credit Act and the Farm Improvement Loans Act. The bill does not propose to remove the opportunities for the individual to carry on by himself if he wishes. It provides however the opportunity for individuals to co-operate with their neighbours where they find it to their advantage to do so.

Some hon. members have questioned the provision of joint and several liability of syndicate members. This is not an innovation but is a regular feature of partnership agreements. It has many advantages in a program of this nature. It will ensure that each member of the syndicate has a personal stake in its successful operation and a personal interest in the proper maintenance of the equipment. It has been suggested that one farmer in the syndicate might be stuck with the entire liability, in the event that all other members default. Personally I have a high regard for the credit worthiness and integrity of Canadian farmers. I am convinced that the majority of them will meet their obligations and I believe they have sufficient business knowledge to refrain from entering into a syndicate agreement with the occasional individual who would not meet his obligations. Furthermore it must be remembered that all of the syndicate members will have an equity in the machinery and it will be in their own individual interests to meet their obligations to the syndicate.

The hon. member for Kent (Ont.) (Mr. Danforth) has questioned whether each member is to be assessed the same amount of the total debt. While the syndicate as a whole will be responsible to the corporation for the repayment of the loan, individual members may share this liability between themselves in whatever ratio they wish. For example, if a syndicate is made up of four members three of whom have 100-acre farms and one of whom has a 200-acre farm it may be quite natural for them to agree between themselves that the farmer operating the 200 acres of land will bear twice as much of the financial responsibility of the syndicate as each of the other members.

As I indicated, the syndicate agreement will be a form of partnership agreement. It is important to the successful operation of the program that these agreements between members be worked out to their satisfaction when the syndicate is being formed. Some of the terms and conditions which have general application will be prescribed by the Farm Credit Corporation. Many of the arrangements however, will be worked out in advance by the farmers themselves, to their mutual satisfaction.

Hon. members will appreciate that in a new program of this nature it is essential, particularly in the initial stages, to provide flexibility in the legislation so that the Farm Credit Corporation and the farmers who borrow from it can develop and improve the program as it goes along. While the corporation cannot prescribe any of the terms and conditions of syndicate agreements until after the legislation has been enacted, I can, in answer to the questions which have been asked, outline the general nature of some of the arrangements which are proposed.

The agreement will make it possible for a new member to join a syndicate with the approval of the other members, and the Farm Credit Corporation, on whatever terms may be mutually agreed upon at the time. A

member will be able to withdraw with the prior consent of the corporation and the remaining members and may be relieved of his liabilities if he makes arrangement for their assumption by a continuing member or another farmer who may take his place. In other words, since he will have an equity in the syndicate's assets he will be able to sell it to another farmer if the other farmer is acceptable, as a member, or to the other farmers already in the syndicate.

Upon the death of a member the syndicate will not automatically be dissolved, but the opportunity will be provided for the remaining members to make mutually satisfactory arrangements with the personal representatives of the deceased member. In the only worth-while opposition suggestion I was able to discover, the hon. member for Cariboo (Mr. Leboe) suggested that these loans should be insured against the death of one of the participants. There are some obvious problems in working out such a proposal when we are dealing with several members, each of whom is jointly and severally responsible for the loan, particularly since life insurance normally would be expected to benefit the heirs of the deceased rather than the syndicate. I believe the suggestion has merit, however, and we will see if a suitable plan can be arranged. If so, it can be put into effect without amending the bill, since life insurance would, in effect, be additional security for the loan and this is provided for in clause 3(2) (b) of the bill.

Some hon. members have asked what would happen if one member does not meet his obligations, becomes insolvent, or bankrupt. Members will be required to agree in advance on a method for establishing the net value of such member's equity in the syndicate, so that they or a new member will be able to buy out his interest.

Most of the business arrangements of the syndicates will be worked out by the members according to their own local circumstances. They will make their own arrangements for maintenance, operation and storage of the machinery and how they will share the costs. They will agree in advance how they will decide who shall have the machine, if two members want it at the same time. While there may be several ways of doing this, one arrangement could be the annual rotation of the order of priority of the various members, with the added provision that no one farmer would be able to take off more than half of his crop at a time if another farmer was ready and waiting for the machine. As the British experiment has shown, the possibility of conflict will be greatly reduced by ensuring that the machines purchased by a syndicate have adequate capacity for the work they will be called upon to do. The farmers will decide the type and make of machines they wish to buy and whom they will buy it from. Their decisions will be made and incorporated in a local agreement which they can amend from time to time, if they wish, by resolution.

The hon. member for Kent (Ont.) (Mr. Danforth) asked whether, if a farmer had borrowed under the Farm Improvement Loans Act and had used his assets as collateral, the same assets would not be necessary for collateral for a loan under this proposed legislation. The primary security for loans under the proposed act will be the promissory note signed by the members of the syndicate. Collateral security will be taken where required on the machinery being purchased with the loan, but the corporation will not be taking security against any of the other assets owned by individual members of the syndicate. There should therefore be no conflict with the security requirements for loans under the Farm Improvement Loans Act.

The hon. member for Wellington South (Mr. Hales) asked whether the syndicates moved be treated as co-operatives for taxation purposes and suggested that if so the legislation would discriminate against private enterprise. The syndicates will not be co-operatives but will be partnerships designed to reduce the operating costs of the individual members. Taxation laws which apply to co-operatives would not apply to syndicates and the individual members will remain subject to the same tax laws as they are at present.

Many speakers have raised the question of the type of machinery which may be included under the provisions of the proposed act. The definition of farm machinery is most difficult. Any attempt to list the items which might be included would, by itself, limit the definition by excluding any items which might be omitted from the list, or any new machinery which may be developed. Mr. Speaker, if hon. members will refer to the Farm Credit Act—

Mr. Horner (Acadia): Mr. Speaker, I wonder whether the minister would permit a question at this point?

Mr. Hays: I have not much more to say, Mr. Speaker, and I do not have much time. I will be glad to answer the hon. member's questions afterwards.

Mr. Horner (Acadia): As soon as the minister is through, will he permit a question on this point?

Mr. Hays: If hon. members will refer to the Farm Credit Act they will note that parliament did not consider it necessary to define in detail in that act the items which might be considered to be farm machinery. Parliament in its wisdom recognized the necessity of providing a measure of flexibility in the definition by permitting it to be broadened from time to time by regulation, without the necessity of amendment to the act itself. I would like to assure hon. members, however, that it is the intention of the government, for the purposes of this act, to have farm machinery defined as broadly as possible so that it may include any item of machinery that a farmer can use in the development or operation of his farm unit. Farmers themselves know what they need and we want to be in the position to meet these needs.

Many hon. members have asked questions as to what sort of machinery might be purchased under this legislation. Several speakers have suggested items which they think should be considered. The hon. member for Medicine Hat (Mr. Olson) has referred to tillage and harvesting equipment, including types of equipment, for specialized crops such as sugar beets. He has referred also to the need for heavy equipment which could break the prairie, prepare a seed bed and seed tame grass in some of the submarginal land.

Even the hon. member for Rosthern (Mr. Nasserden), while describing this legislation as useless and foolhardy was able to see how useful it could be in the co-operative purchase and use of grain handling and grain cleaning equipment. He said this at page 8065 of *Hansard*. The big brother of the hon. member for Acadia (Mr. Horner), the hon. member for Jasper-Edson (Mr. Horner), was also able to see the usefulness of this legislation by suggesting it could be employed in the purchase of land levellers, caterpillar tractors, feeding and grinding equipment and land clearing equipment. And even the little brother, the hon. member for Acadia, while fussing and fuming about this legislation as only he can fuss and fume, saw this legislation's usefulness in the purchase of brush clearing equipment, large grass seeding equipment, portable grain mills and grain driers, portable grain cleaning equipment and seed cleaning equipment. In the speech he made before we were treated to the agricultural wisdom of the right hon. Leader of the Opposition, he even indicated that he would like syndicates to be able to purchase their own pipe for watering livestock.

Mr. Speaker, as unworthy as I think some of the remarks of these hon. members were, I want to be fair and say that these are worthy suggestions, and in spite of their sources I can assure hon. members that the definition of farm machinery to be approved by the governor in council with respect to this legislation will provide for all these items. The hon. member for Kent (Ont.) (Mr. Danforth) has asked who will decide the type and make of machinery which will be bought. I can assure hon. members that as long as the type of machinery under consideration can be used in the development or operation of a farming enterprise and can be used co-operatively by the members of the syndicate, it will be the members of the syndicate themselves who will make this decision. As an example, take three farmers in the black soil zone of Saskatchewan, each with a half section grain-livestock farm with about 200 crop acres under cultivation. Farm management studies indicate that the investment of these farmers in a used swather and pull-type combine amounts to about $3,200, or $16 per crop acre. These three farmers might form a syndicate and purchase a good used swather and combine of a larger capacity for about $5,000, with a down payment of about $350 each. Their capital investment would be just over $8 per acre, or about half of their present investment. They could have a very efficient three-man harvesting operation with ample capacity to handle their 600 crop acres with a very substantial saving in investment and depreciation costs to each farmer, and by operating together might very easily avoid the need for hired labour at harvest time.

The same principle applies as well, or better, in eastern Canada. Dairy farmers in Quebec, for example, have much of their land in pasture and forage crops and might have only 25 to 30 acres in grain. It would not pay to buy a combine for such a small area. Three or four such farmers could join together and purchase a new eight-foot pull-type combine for about $5,000 with a down payment of about $1,000.

Mr. Horner (Acadia): An eight-foot combine? That must be wrong.

Mr. Hays: In this way, with an initial investment of $250 to $350 each they would have a combine which would quite easily handle all their work, and possibly do some for their neighbours on a custom basis. They would have effected a real saving in interest and depreciation costs. They could also co-

operate in the purchase and use of a forage harvester and self-unloading wagons, a hay baler and possibly a large power unit. Their savings in machinery costs could be very substantial. They would have efficient machinery with the capacity to do their work in good time and thus would save labour.

Another possible use which farmers might make of a machinery syndicate in concentrated cattle areas in eastern Canada could be with feed mixing equipment. A farmer milking 40 cows would probably need to feed about 42 tons of grain, with added concentrate, a year. Most of this grain is home grown and the farmer now has to make arrangements to have it ground and the concentrate added. If 20 such farmers went together in a syndicate, the capital cost of a portable mill for the purpose would be in the order of $1,100 per farmer which, amortized over 10 years, would be $110 per year or 13 cents per hundred pounds as the capital cost of grinding and mixing the grain and concentrates for a 40 cow herd. To this, of course, would have to be added interest and operating charges. I think these examples should show just how wrong any member is who suggests that this legislation will not help eastern farmers or that it will help western farmers more than eastern farmers. The kind of co-operation envisaged under this legislation can be extended to farm operations in every part of this country. It can be used for the purchase of potato planters, sprayers and diggers in the Atlantic provinces, for corn pickers and sugar beet equipment in the central provinces and elsewhere.

In summary, let me say that I believe very sincerely that this is good legislation for all our farmers from coast to coast. It can be especially useful to the family farmer by putting him in a stronger economic position than he has ever enjoyed before in his competition to survive against the large farm or the corporation farm.

Some hon. members have suggested this measure will encourage vertical integration and threaten the independence of the family farm. This is nonsense. It will have just the opposite effect. It will provide a new buttress to support the independence of our family farmer by reducing the amount of money he has to spend on machinery. It can encourage better farming management through the conditions that will be required for qualification for one of these loans, and this can improve the income of our farmers. It can help to relieve some of the farm labour problems our farmers now face, including a shortage of farm labour in some areas, by making it possible for farmers to help each other.

The use of the latest machines can lead to work being done more efficiently from a technical point of view, more quickly and with greater timeliness. As a result, the risks of crop losses and damage can be diminished and the quality of such products as hay and silage can be improved. By being able to have the use of new and better equipment co-operatively that they could not afford on their own, individual syndicate members should be able to increase production of their crops or, as in the case of one farmer with a share in a potato harvester, to sell their products on an earlier and better market. The examples I have cited indicate the very real reduction in machinery costs this legislation can mean for individual farmers. I think it should be obvious by now that it will be of more benefit to the small farmer who cannot afford to buy all the machinery he needs on his own than to the big operators who can.

This is something brand new in Canadian agriculture. It is an experimental type of legislation and we will be ready to make whatever changes in its operation experience indicates. We may need more than the initial $25 million fund to keep it operating and if that is the case this government will not hesitate to bring forward the necessary amendments.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I listened with sympathy to the valiant efforts of the minister in the fight which his natural modesty and humility waged with political partisanship of the highest order in his desire to construct a political halo around his head. Alas, we must confess that that humility and modesty, earlier evident at the beginning of his speech, soon disappeared. There are one or two comments I think I must make about what was said by the minister. He indicated that in his view too much time had been taken on this debate.

Some hon. Members: Hear, hear.

Mr. Baldwin: I hear hon. members applauding, which only indicates that in their view the members of the opposition are not entitled to exercise their proper function of critically analysing legislation brought before the house. I would point out that on September 21 this bill was brought down for second reading. At that time the parliamentary secretary spoke, and I would judge that some 35 to 40 minutes was devoted to the second

reading stage, practically all of which was occupied by the speech of the parliamentary secretary. Then on September 22 the debate was renewed and there was a particularly lengthy question period preceding it, occasioned as usual by the lengthy answers of ministers of the crown. The debate was also interrupted part way through by a statement on motions made by the Minister of Finance (Mr. Gordon) and replied to by members from each of the parties. Consequently, I submit that less than one full day has been devoted to the second reading stage of this bill, a bill which the minister has indicated is a very important piece of legislation and something in the nature of an experiment. I suggest that any intimation that time should be limited to less than one day on the second reading of a bill of this kind is completely improper and wrong. I think we would not be fulfilling our duty if we did not give to this bill the attention and the analysis it requires.

For example, Mr. Speaker, on the resolution stage I asked some questions. At that time we knew not what was in the bill. I asked what I thought were proper questions, but as yet the minister has not answered them. I referred, as did one other hon. member today, to the fact that legislation of this kind is probably the only way in which many of our native peoples—the Indians under the Indian Act and the metis under the metis colonies act of the province of Alberta—could have an opportunity to secure the type of financial assistance required for programs of this nature, which is denied them under other legislation owing to the fact that they do not hold title to their land, having only certificates of occupation. I hope the minister will take this matter up with his colleague the Minister of Citizenship and Immigration (Mr. Tremblay), and I also propose to deal with it on the estimates of that minister and to ask him the same question. I think it is tremendously important to see that these people do have an opportunity, as do other people in Canada, of obtaining for themselves the benefits available under farm legislation.

During the resolution stage I also pointed out that under the Farm Improvement Loans Act approximately $100 million in one year alone had been made available for the purchase of farm machinery. I pointed out that under those conditions, using this as a yardstick, it was most unlikely that the $25 million would be sufficient for the job if it were to do the job which the minister said it would. I also pointed out that under the Farm Credit Act, which was passed by the previous government, there is provision for loans to co-operative associations for purposes covered by the act, including the purchasing of machinery.

I thought we were entitled to be told why farm co-operative associations had not made greater use of the facilities of that act before legislation of this kind was introduced. These were questions which I think were reasonable and moderate, which might well have been answered, and which I hope the minister may yet answer before the conclusion of this debate.

With regard to the amendment before the house, I do not think I could vote for it as it now reads; but that does not mean that the subject matter of this bill should not be referred to the agriculture committee. The minister said that this legislation is important and is breaking new ground. It is legislation which is a completely new concept. Surely, Mr. Speaker, under those conditions it would be but right and proper that this bill be referred to the agriculture committee, where it would receive not too lengthy a period of debate but representatives of farm organizations, who after all are the ones who have the greatest interest in the bill, not us, would have the opportunity of appearing and making representations and suggestions. It is for that reason I am convinced that the hon. member for Edmonton-Strathcona (Mr. Nugent) moved this amendment, because he thought that this bill would then have been likely finalized once it received second reading. I know the bill can be amended in committee, but once the house, and particularly the government, has given approval in principle on second reading of a bill there is a tendency for the matter to be crystallized and there is an unwillingness on the part of the government to accept any amendments. I think that is probably applicable to any government, and it is quite usual; but I hope to see in the future the subject matters of many more bills referred to committee for consideration before rather than after second reading.

With that in mind, Mr. Speaker, before I sit down I propose to move an amendment to the existing amendment which I submit would have the effect of permitting both these desirable results to be achieved. I am going to propose, first, that the subject matter of the bill go to committee, there to be considered and to receive representations from farm organizations, at the same time the bill not being given approval in principle in this house on second reading.

Before I go on to what I consider a very serious objection to this legislation as it now stands, I want to pay some attention to the remarks of the hon. member for Lotbinière (Mr. Choquette), who in his usual inimitable style saw fit to criticize the previous government by indicating that several legislative proposals dealing with agriculture which we had introduced when we were in office had not been referred to a committee. May I point out to him and, through you, Mr. Speaker, to all hon. members that the value of that legislation has been well illustrated by the fact that the present government have taken these pieces of legislation which we dealt with, have accepted them and have made some minor improvements, indicating their wholesale approval of the agricultural legislation which the previous government enacted. I say that because I think this bill presently under discussion has some limited usefulness.

In the part of the country in which I live there are hundreds of thousands of acres of arable land waiting to be put under cultivation and this bill might well have some usefulness to new settlers for the purchase of the expensive machinery required to clear the brush and cultivate this vast area. Each hon. member is properly entitled to express his point of view, and perhaps does so through the eyes of his own constituents. Legislation which may be of value to one area of this country may not necessarily be of equal value to another. Merely because the hon. members for Acadia (Mr. Horner) and Athabasca (Mr. Bigg), as well as others, have quite legitimately and honestly seen fit to criticize the bill, or at least parts of it, as being not applicable to their areas, does not mean a wholesale rejection of the bill. I think that fact was made quite clear by the hon. member for Kent (Ont.) (Mr. Danforth), who led off this debate on behalf of the official opposition.

While this act may not be too favourable, and I am quite sure it cannot be regarded as producing a very bright jewel, an emblem of which will be fixed to the diadem of agricultural legislation which the minister wears rather uneasily around his head, it might have some useful application in certain areas of the country. After this legislation has been exposed, analysed and been made the subject of constructive criticism in a committee I hope it will pass in an amended form.

I should now like to direct the attention of this house to what I feel is the most objectionable aspect of this bill. I am not in a position to move an amendment at this time, but I will give notice now to the minister that in due course, when this piece of legislation has reached the committee stage, having passed a parliamentary committee, I intend to move certain amendments in respect of clause 9, about which I have certain reservations.

Clause 9 of the bill purports to give regulatory powers to the governor in council and in that connection I should like to read certain remarks made in a speech delivered by the parliamentary secretary.

Mr. Deputy Speaker: Order. I hesitate to interrupt the hon. member, but I am sure he realizes that on second reading one cannot discuss the individual clauses of the bill. Perhaps he will keep this in mind in the course of his remarks.

Mr. Baldwin: I have completed my discussion of the particular clause which I feel is objectionable, and am now proceeding to a discussion of it in a general sense, Mr. Speaker, in the same way the parliamentary secretary did when he spoke on September 21.

I should first like to make this observation. In the sense that this purports to create a new concept of agricultural legislation there are three basic facts. The first relates to a definition of what shall be farm machinery. The second relates to a definition of what shall be a co-operative association entitled to take advantage of the legislation. The third relates to the circumstances under which an association shall be entitled to take advantage of the legislation, and includes regulations restricting the association in its incorporation and dealings with the government through the Farm Credit Corporation. Those are the three salient features of the legislation. They are the pith and substance of the whole matter. This is the heart of the whole issue.

In respect of each of these three facts I have outlined the government has seen fit to permit the governor in council to deal with these matters rather than this house, which has that legislative capacity, and is thereby legislating by regulation. I find that situation repugnant and objectionable. All too often members have been inclined to sit idly by through progressive erosion of their functions, allowing them to be usurped by the executive. This is another example of that situation. Surely it is for us as members of this House of Commons, elected by the people of this country, to decide what shall be farm machinery, what shall be the circumstances and terms of these agreements, and how shall

written arrangements be made under which syndicates are formed. Surely it is for us as members of this House of Commons to say what shall be an association under the terms of this act. We will be prohibited from doing so if the legislation in its present form is passed. In confirmation of that statement I refer all hon. members, through you, Mr. Speaker, to what the parliamentary secretary said as reported in *Hansard* at page 8280. That hon. gentleman said this:

> There will be authority in the bill to define farm machinery by regulation. We thought it best to do it in this way because we are entering into a completely new venture in which we will have to profit by experience—

The Minister of Agriculture repeated that fact today. I submit that if we permit power of this kind to pass from the hands of this legislating body to the hands of an executive body we may well be guilty of some of those deficits which have been ascribed to us and our functions in recent months. This situation goes to the very root of our duties as legislators. In this legislation, I submit it is for us to decide these important factors, rather than the executive.

The parliamentary secretary on September 21 then stated:

> The intention however would be to define farm machinery very broadly, so that the bill might apply to any item of machinery which a farmer might use in the development or operation of his farm, and leave it to the groups as they are organized to decide the items which they feel could profitably be owned and used jointly.

Therefore the circumstances in respect of the establishment of these syndicates will be circumstances in a form satisfactory to the executive, but not necessarily to this house.

The parliamentary secretary then said:

> Further, in the setting up of the syndicate there will be predetermined arrangements designed to settle in advance some of the problems which may later arise. There will first be some general provisions applicable to all syndicates, including such items as provisions for adding members, for reduction in membership, for the procedure in the event of death or insolvency of a member, and for the voluntary dissolution of the syndicate. There will also be provisions for such items as the appointment of a secretary, the maintenance of proper books of account, and so on.

The hon. member who seconded the motion which is now before the house made a very valuable contribution when he pointed out that this bill ventures directly into the realm of provincial jurisdiction. The provinces have legislation which defines co-operative associations, and sets out how they shall function and what their governing by-laws shall be. This legislation represents, if not a legal usurpation of the rights of the provinces, certainly a factual invasion of their proper prerogatives. That fact was properly pointed out by the hon. member, and I lend my support.

The parliamentary secretary then went on to state:

> Farmers forming syndicates will also be required to make arrangements in advance concerning their individual shares and responsibilities with respect to payment of capital maintenance and operating costs, and the responsibilities for operation, repair, maintenance and storage of the machines. They will need to agree concerning the priority of the right to use the machine in the event that two members wish to use it at the same time.

Those are the things which are to be determined by the executive, as this bill is presently worded. I submit with all the strength I can, Mr. Speaker, that these are matters which should be inserted and detailed in the legislation, which should then be brought before the agriculture committee and upon which farm groups in this country should have an opportunity of expressing their views.

Finally, before I leave the speech by the parliamentary secretary, I would point out that I think the minister was quite right in indicating that he does not expect too much from this legislation at the start. He suggests that this was based on legislation introduced in the United Kingdom. The figures which were given by the parliamentary secretary are most illuminating. Legislation of this kind was introduced, sir, in 1955 but developed slowly during the first few years. By 1962, only 293 syndicates had been formed. However, as a result of the program's successful operation it expanded more rapidly and since that time, in 1963, there were 341 syndicates and by August, 596 syndicates. After eight years of operation only 596 syndicates had been established. I suggest to the minister he should be most moderate in the claims he makes for this legislation if, in fact, it is based on the British system. This does not necessarily mean it cannot be of some value. I think we all accept the fact there must be a continual attack on all fronts of this agricultural problem. There is no one, simple, magical cure. Certainly, legislation of this kind by itself must be accepted in context as being narrow and not of too much value.

Before I sit down, Mr. Speaker, I must say that I indicated I proposed to move an amendment. I do make this final suggestion, particularly with regard to legislation of this kind, that when the government seeks to introduce and have passed legislation containing regulatory powers of this kind, the onus

should rest upon them to establish beyond any reasonable doubt the necessity for, and the reasonableness of, the powers they seek. This has not been the case here. I for one could not see my way clear to vote for this bill as it now stands. I, therefore, wish to move, seconded by the hon. member for Swift Current-Maple Creek (Mr. McIntosh):

That the amendment be amended by adding immediately following the last word, the following: "Provided however that despite this motion the said bill shall remain on the order paper as an order for second reading, without prejudice to the right to proceed with a motion for such second reading."

Mr. Deputy Speaker: The hon. member will appreciate that the Chair would have some qualms about the legality of this amendment. Perhaps hon. members might like to indicate their views as to whether or not the subamendment is acceptable.

Mr. Baldwin: Before Your Honour does decide, I have some precedents to argue. However, I take it that the silence in the house indicates the value, legality and virtue of this subamendment.

[*Translation*]

Mr. Favreau: Mr. Speaker, there is no doubt that the subamendment cannot be accepted as it stands because it contradicts the main amendment.

In fact, the subamendment would hide from the public the true consequence of the main amendment, which would remove from the consideration of the house the bill under discussion.

It is clear that an amendment to refer to a committee the subject matter of a bill is in itself a statement from the house to the effect that it is opposed to second reading and, therefore, to the principle of the bill.

In fact, the main amendment is a declaration made by the opposition—which it has presented as a motion—to the effect that the opposition does not accept the principle of the bill, does not accept the principle of a government guarantee for the financing of the purchase, joint or collective, of machinery by two or more persons. And the subamendment merely indicates, by way of an excuse, that although one is well aware that such will be the consequence, in fact one does not wish to see the bill killed as a result of that amendment.

[*Text*]

It is clear from the reading of citation 386 in Beauchesne's fourth edition, that once the subject matter of the bill has been referred to committee, and once the principle of the main amendment has been accepted, then there is no bill, in fact. I read from the second subparagraph of citation 386:

An amendment, urging the setting up of a select committee to consider the subject matter of a bill, might be moved and carried, if the house were adverse to giving the bill itself a second reading and so conceding its principle.

It would, therefore, I repeat be a clear declaration from this house that this house agreed with the mover of the amendment to the effect that the principle of the bill ought not to be admitted and that the house is adverse to second reading. This, I think, is just what the Minister of Agriculture has said, that under the pretext of forcing a further study of this bill, the main amendment only wants to deprive the house of the advantage of the possibility of thoroughly discussing the bill, giving it second reading, and then at the committee stage obtaining from the minister all the answers hon. members desire to elicit with respect to the application or consequences of the bill.

It is quite evident that a motion that denies that the bill must have second reading, and therefore denies the principle of the bill, is incompatible with the other principle, that the house retains the right to proceed with the motion for second reading. I therefore say that the subamendment is not consistent with or material to the amendment itself, that it is a clear contradiction, and that it is only an admission of the fact that the official opposition would like to have it both ways, to have its cake and eat it, to deprive the government from giving this important and useful legislation to the farmers and at the same time let everyone believe or think that in so doing they just wanted to serve the country. For these reasons I submit that the subamendment should not be admitted by the Chair.

Mr. Olson: Mr. Speaker, there are one or two other sentences that the Minister of Justice (Mr. Favreau) could have read from citation 386, but before I refer to them I would like to say that I have always held the opinion that this house ought to have the right to send a bill to a standing committee for consideration prior to the adoption of the principle of the bill. Unfortunately this is not the practice which has been followed, and if we are not prepared to change the practice we have to be consistent in the way we proceed.

We have also to recognize that there will be an opportunity on committee stage for

specific amendments to be made to any clauses of the bill. We have to accept the fact that at this stage we are really doing nothing more or less than accepting the principle of the bill, and with that in mind we have to take into account the precedents. Further down in citation 386 subsection 3 says—and before I quote it I wish to say I do not believe the parallel and similarity between the incident cited and this one are exactly the same, but there are certain similarities. The subsection says:

> The house cannot both refuse to give the second reading and refer some provisions of the bill to a committee. It shall have to make its choice.

Therefore I believe we have to accept the fact that at this stage we are simply indicating whether or not we agree in principle with the provisions of the bill, and if we refer it to the committee we are denying giving our acceptance to the principle of the bill and so the practice of the house would be, as noted in citation 386 of Beauchesne, that we would in fact refuse giving our consent to the principle of the bill, and thus would in fact kill the bill.

Mr. Knowles: Mr. Speaker, I rise mainly to pose a question which I hope the hon. member for Peace River (Mr. Baldwin) will answer when he gives us the benefit of his study of this ingenious subamendment. It seems to me that the hon. member for Medicine Hat (Mr. Olson) has stated the case very well. He has stated it well under two headings. First, he has indicated that there is a feeling on the part of many that a case could be made for having bills go to committee before we decide upon them in principle, but so long as we have standing order 77 that is impossible.

The second thing the hon. member for Medicine Hat pointed out is that under citation 386 we are told something that is awfully hard to accept in this life, namely, that there are some things we cannot have both ways. In other words, we have to decide whether we are in favour of the principle of the bill and then deal with the details in the way that is provided, or we have to take our stand as being opposed to the principle of the bill. I think that is what is behind the confusion that sometimes arises with respect to this matter. However, the Minister of Justice (Mr. Favreau) and the hon. member for Medicine Hat have developed all of this.

I merely want to ask the hon. member for Peace River if he has any precedents for the kind of subamendment he has moved, which are not based on unanimous consent. I recall

that in the first session of this parliament there was a bill—maybe two of them—which had to do with the islands of the Northwest Territories that might possibly become part of Quebec, or vice versa—I forget which it was —and there was a strong desire to have that bill, or those bills, referred to a committee before the bill itself was discussed on the floor of the house.

I believe the hon. member for Peace River and the Minister of Transport (Mr. Pickersgill), who was then secretary of state, worked out an ingenius arrangement whereby this actually happened, whereby the bill, or bills, stayed on the order paper but the subject matter went to a committee for discussion. However, I believe that was accomplished on the basis of the unanimous consent of the house.

If the hon. member for Peace River can get unanimous consent for this tonight, the way he and the Minister of Transport got it then, we are away to the races, but if he cannot, I merely ask are there other precedents where anything of this nature was done without unanimous consent?

Mr. Baldwin: I must say that what has been said tonight, and I say this in the kindest possible way, Mr. Speaker, confirms the impression I have always had that within the four corners of the official opposition lies most of the progressive and forward thinking elements, because it is we who are prepared, when necessary, to break new ground and to try and work out what would be a sensible and reasonable arrangement.

Mr. Knowles: To break new ground? You mean break the rules.

Mr. Baldwin: However, I was deeply shocked to find I did not have the support I thought I would receive from hon. members who examine the rules. I believe this house should be master of its own destiny. First, dealing with citation 386, and particularly that part which appears in paragraph 3, it says the house cannot both refuse to give second reading—and I read that word "refuse" in an active sense. We are not, as a result of the combination of the amendment and my proposed subamendment, refusing to give second reading. It is not even implied in this.

The very terms of the subamendment do not imply refusal; rather, we say keep this bill as an order for second reading on the order paper. Surely this is the very opposite of refusal? I submit that is a plain, simple answer to paragraph 3 of citation 386.

I now want to refer Your Honour to citation 201 in Beauchesne's fourth edition, which I think should be taken into consideration. It is as follows:

> The object of an amendment may be to effect such an alteration in a question as will obtain the support of those who, without such alteration, must either vote against it or abstain from voting thereon—

I detected in the remarks of members of the parties who sit to my left a great inclination to vote for the reference of the subject matter of this measure to the agriculture committee. However, they felt that under the terms of the original amendment they were unable to do so. All I am doing in my subamendment is to make it possible for them to do so under the terms of the citation to which I have referred.

Before I go back to the interesting conversation which the Minister of Transport (Mr. Pickersgill) and I had last November, I would refer Your Honour to the third paragraph in citation 119. This deals with the rules of debate and relevancy. Of course there might be a distinction made, but I think these are important words which should be in the mind of the Chair on all occasions when a decision has to be made.

> Relevancy is not easy to define. A wrong comprehension of it may have a serious effect on the freedom of speech. Members are often deprived of their right to speak on the pretext that their remarks are irrelevant when as a matter of fact they refer to matters perhaps remote but yet related, even indirectly, to the question under debate. In borderline cases the member should be given the benefit of the doubt.

I think these words can easily be applied to amendments as well. A paraphrase of this citation could be applicable. I submit that since it is the wish of all members of the house that this bill should not be killed and since it is equally the wish of what I think is the majority that it should be referred to a committee, it is my contention that this desirable result could be obtained by giving effect to the amendment as proposed.

Finally, in the *Journals* of the house for 1963 on page 559, appears the resolution which I worked out at the suggestion of the Minister of Transport and which he accepted as being in order. It does use the words "by unanimous consent".

> By unanimous consent, on the motion of Mr. Pickersgill seconded by Mr. Laing, it was ordered—That the subjects dealt with in bills C-83 and C-84—

Hon. members will notice that it is done here with respect to two bills. Now we are only asking that it be done in respect of one.

Some hon. Members: Oh, oh.

Mr. Baldwin:

> —be referred to the standing committee on mines, forests and waters for consideration; provided however, that despite this motion the said bills shall remain on the order paper as orders for second reading without prejudice to the right to make or proceed with motions for such second reading.

The Minister of Transport and I are suspender and safety pin men. The words "by unanimous consent" were only put in there to give that extra degree of safety, to remove whatever doubt there might be. It is not to be presupposed that without them the motion would be out of order. The house accepted the principle that it was possible and that it was, in certain cases, desirable for the subject matter of certain bills to be referred to committees while retaining their place on the order paper. It is my submission, based on these various authorities and on the general principle that wherever possible Your Honour should hold to be relevant amendments which are proposed, that this subamendment is in fact in order.

Mr. Deputy Speaker: If there are no further submissions to be heard at this time for the guidance of the Chair I am prepared to give my opinion as to the legality of the subamendment proposed by the hon. member for Peace River (Mr. Baldwin).

I am sure hon. members will recognize that the hon. member for Peace River has presented a strong argument for a case which is perhaps a little difficult. He himself recognized that he is breaking ground and this was perhaps an unwilling recognition that there is a difficulty facing the Chair. He drew attention to citations 201 and 119 (3) of Beauchesne which lay down the general principles by which we should be guided. Certainly the Chair is prepared at all times to take these general principles into consideration. But there are precedents, rules and standing orders which must also be kept in mind when dealing with specific cases. In this particular case, as the hon. member for Winnipeg North Centre (Mr. Knowles) has mentioned, there is standing order 77 to be taken into account. There is also, as the Minister of Justice (Mr. Favreau) has mentioned—and this argument was further advanced by the hon. member for Medicine Hat (Mr. Olson)—citation 386(2). I might be allowed to follow the lead of the Minister of Justice and quote in French from the French edition of Beauchesne:

[*Translation*]

I quote from Beauchesne, citation 386:

An amendment, urging the setting up of a select committee to consider the subject matter of a bill, might be moved and carried, if the house were adverse to giving the bill itself a second reading and so conceding its principle.

And the hon. member for Medicine Hat (Mr. Olson) pushed the argument further by quoting subsection (3) of citation 386:

—the house cannot both refuse to give the second reading and refer some provisions of the bill to a committee. It shall have to make its choice. The amendment was ruled out.

[*Text*]

In other words, the difficulty we face is that there seems to be inconsistency between the amendment and the amendment to the amendment. This subamendment proposes at one and the same time to take the question out of the house and to keep it here. So we can visualize a situation where the house will proceed with second reading while at the same time the bill is before the committee, still under discussion. On this point I would like to quote Beauchesne, citation 203, which states:

(1) Every amendment must be relevant to the question on which the amendment is proposed. Every amendment proposed to be made either to a question or to a proposed amendment should be so framed that if agreed to by the house the question or amendment as amended would be intelligible and consistent with itself.

It seems to me this is the difficulty the house would face if the subamendment were to be accepted along with the amendment.

The hon. member for Peace River when challenged by the hon. member for Winnipeg North Centre to submit a precedent, referred to the *Journals* of 1963 at page 559. The relevant extract, as he himself recognized, begins with the words "by unanimous consent". It is true the house did set a precedent of some sort in agreeing to do exactly what is now proposed by the hon. member, but of course it did so only by unanimous consent, and I have a suspicion that if on that occasion the house decided it was necessary to obtain unanimous consent before proceeding on that basis it was because it was felt that the rules precluded proceeding otherwise.

I feel that the procedure proposed by the hon. member for Peace River is definitely inconsistent with the procedures of the house. In view of the learned arguments advanced by several hon. members in opposition to the legality of the subamendment I must declare it out of order.

[Mr. Deputy Speaker.]

Mr. Baldwin: With the greatest deference to your judgment and in the hope that the house may seize this opportunity to remove the words "by unanimous consent" and break new ground, I must appeal Your Honour's decision.

Mr. Deputy Speaker: Those in favour of sustaining the Speaker's ruling will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

Mr. Deputy Speaker put the question as follows:

The question is an appeal to the house from a ruling of the Chair.

To the motion for the second reading of Bill No. C-121, an act to provide for the extension of credit to farm machinery syndicates, the hon. member for Edmonton-Strathcona (Mr. Nugent) proposed as an amendment the following:

"That this Bill No. C-121 be not now read a second time but that the subject matter thereof be referred to the standing committee on agriculture for further study and report".

In amendment thereto the hon. member for Peace River (Mr. Baldwin) proposed the following:

"That the amendment be amended by adding immediately following the last words the following: 'provided however that despite this motion the said bill shall remain on the order paper as an order for second reading without prejudice to the right to proceed with the motion for second reading' ".

The Chair ruled the subamendment out of order as being inconsistent with the amendment; that the amendment proposed to refer the subject matter of the bill to a standing committee, whereas the subamendment purported to allow the house to proceed with the second reading of the said bill and subsequent stages. Whereupon the hon. member for Peace River appealed to the house from the decision of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Armstrong	Benidickson
Asselin (Richmond-Wolfe)	Boutin
Badanai	Brewin
Batten	Byrne
Beaulé	Cadieux (Terrebonne)
Béchard	Cameron (Nanaimo-Cowichan-The Islands)
Beer	Cantin

Carter	Legault
Cashin	Lessard (Lake St. John)
Choquette	Lessard (St. Henry)
Chrétien	Loiselle
Côté (Chicoutimi)	Macaluso
Crossman	Macdonald
Cyr	MacEachen
Davis	MacNaught
Deachman	McIlraith
Dionne	McNulty
Drury	McWilliam
Dubé	Marcoux
Dupuis	Martin (Essex East)
Ethier	Matheson
Eudes	Matte
Favreau	Moreau
Fisher	Mullally
Forgie	Munro
Francis	Nicholson
Gauthier	O'Keefe
Gelber	Olson
Granger	Orlikow
Gray	Otto
Groos	Patterson
Guay	Peters
Habel	Pilon
Hahn	Plourde
Haidasz	Prud'homme
Harley	Richard
Hays	Rinfret
Hellyer	Rock
Herridge	Rouleau
Honey	Roxburgh
Howard	Ryan
Jewett, Miss	Sauvé
Klein	Stewart
Knowles	Tardif
Konantz, Mrs.	Teillet
Lachance	Temple
Laing	Tucker
Laniel	Watson (Châteauguay-Huntingdon-Laprairie)
Leblanc	Webster—99.
Leboe	

NAYS

Messrs:

Alkenbrack	MacLean (Queens)
Balcer	MacRae
Baldwin	McIntosh
Cantelon	Madill
Cardiff	Mandziuk
Chatterton	Martineau
Churchill	Monteith
Clancy	Moore
Coates	Muir (Cape Breton North and Victoria)
Cooper	Muir (Lisgar)
Danforth	Nasserden
Dinsdale	Nesbitt
Doucett	Nugent
Fane	Pascoe
Fleming (Okanagan-Revelstoke)	Pugh
Flemming (Victoria-Carleton)	Rapp
Hales	Ricard
Hamilton	Smith
Horner (Acadia)	Southam
Irvine	Starr
Kennedy	Vincent
Kindt	Watson (Assiniboia)
	Winkler—45.

Mr. Deputy Speaker: I declare the decision sustained.

[*Translation*]

Mr. Paul: Mr. Speaker, I was paired with the Associate Minister of National Defence. Had I voted, I would unfortunately have voted against your decision.

[*Text*]

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

Mr. Mackasey: Mr. Speaker, I was paired with the hon. member for Bow River (Mr. Woolliams). Had I voted I would have voted to sustain your ruling.

Mr. Lloyd: Mr. Speaker, I was paired. Otherwise I would have voted in favour of upholding your ruling.

Mr. McLean (Charlotte): Mr. Speaker, I was paired. If I had voted I would have voted to sustain your ruling.

Mr. Deputy Speaker: Is the house prepared to vote on the amendment to the main motion?

Mr. Horner (Acadia): Mr. Speaker, I am prepared to speak on the amendment.

An hon. Member: It is ten o'clock.

Mr. Horner (Acadia): Mr. Speaker, it is interesting to see that—

Mr. Deputy Speaker: Order. The Chair recognizes the hon. member for Greenwood. Is the hon. member rising to declare a pair?

Mr. Brewin: No, Mr. Speaker, I was rising to speak on the amendment and motion now before the house, although I was going to bring your attention to the fact that it is now ten o'clock.

Mr. Deputy Speaker: Order. The Chair was under the impression that the hon. member for Greenwood was rising on a different question. The Chair is now prepared to recognize the hon. member for Acadia.

Mr. J. H. Horner (Acadia): Mr. Speaker, it was interesting to note that the government voted against referring the subject matter of this bill to the standing committee for study. They suggest that this is new or experimental legislation, but by their actions they have indicated they do not wish to expose the provisions of this bill to close scrutiny by that committee. This bill could have been referred to that committee by unanimous vote in favour of the subamendment.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. May we have order in the house. The hon. member for Acadia has the floor.

An hon. Member: It is ten o'clock.

Mr. Horner (Acadia): Thank you, Mr. Speaker, I can only assume those hon. gentlemen did not like what I was saying and attempted to drown out my remarks.

It is evident from the manner in which they rejected the subamendment that they do not want this proposed legislation subjected to close scrutiny by the standing committee on agriculture and colonization, in spite of the fact that, to use the minister's words, it is experimental legislation. That fact does not speak well for this legislation.

May I call it ten o'clock.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask the house leader to outline the business for the rest of this week?

Mr. Favreau: Mr. Speaker, we will carry on tomorrow with the business as announced, in an attempt to obtain second reading of this farm machinery bill. It will then go to the committee stage, following which we will deal with legislation relating to the Crop Insurance Act. On completion of that we will deal with a bill relating to amendments to certain acts administered by the department of insurance. On Wednesday, in order to give members of this house an opportunity to express their views in respect of amendments to the constitution of Canada being made in Canada, I intend to have the estimates of the Department of Justice placed before the house, but only for that purpose. We will use whatever time available on Wednesday for that purpose. The estimates to follow are those of the Department of Trade and Commerce and the Postmaster General, who is responsible as the minister in charge, for the Central Mortgage and Housing Corporation regulations. A consideration of those estimates will be followed by a consideration of the balance of the estimates of the Department of Citizenship and Immigration and the estimates of other departments to be announced tomorrow.

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

HOUSE OF COMMONS

Tuesday, September 29, 1964

The house met at 2.30 p.m.

THE CANADIAN ECONOMY

RECONCILIATION OF STATISTICS WITH STATEMENT BY MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Finance and ask him how he reconciles the rosy picture of the economy which he gave a week ago yesterday with the latest figures issued by the bureau of statistics. These show that the total output of the Canadian economy for the second quarter of this year practically stood still; that capital formation was 7½ per cent less than in the first quarter; new residential construction, spending on new machinery and equipment have gone down; prices have gone up one half of one per cent, with an increase of 2 per cent on retail construction and more than 2 per cent on machinery. In this connection I might also refer to the balance of payments, which in the first six months shows that the deficit has increased over the same period last year by 14 per cent. Would the minister, with the usual alacrity that he displays, explain how he reconciles his picture with the actual facts?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, it would give me great pleasure to reconcile the statements and explain them to my right hon. friend. Understandably, I have seen the release by the dominion bureau of statistics to which my right hon. friend refers. I think I explained a week ago Monday—I am sorry I did not make it clearer—that the tremendous growth in output in the first quarter, while it would be maintained in the second quarter would probably not show much of an increase over the phenomenal figures of the first quarter.

But perhaps the easiest way of clearing this up—and I am sure there has been some misunderstanding in the mind of my right hon. friend—is to point out that the gross national product in the first quarter of 1964 at market prices was 8.1 per cent higher than in the corresponding quarter a year earlier.

Some hon. Members: Hear, hear.

Mr. Gordon: The gross national product at market prices in the second quarter of 1964 was 8.2 per cent higher than in the corresponding quarter a year earlier. It is quite true that in the second quarter the increase over the first quarter of 1964—dealing with 1964 only—was only slightly higher than in the first quarter; and that is understandable because, as all hon. members know, no one expected the phenomenal growth of the first quarter to be exceeded substantially in the second quarter. This was predicted and expected. If we are dealing with one quarter of one year as compared with one quarter of another, it is safe to say that the rate of growth in 1964 has been maintained through the second quarter.

On the point about the balance of payments, current account, I think my right hon. friend quoted the figures for the first six months. If he would refer to the quarterly figures he would see that there was an improvement in the second quarter as compared with the first quarter, in fact quite a marked improvement. Therefore I think I am in a position to reassure my right hon. friend that the economy is doing fine.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Mr. Speaker, the decibels of applause from the government side of the house of course do not give an answer to the question. Would the hon. gentleman say why new residential construction dropped 25 per cent in the second quarter, why housing starts were down 26 per cent and completions were down 31 per cent?

Mr. Gordon: Mr. Speaker, we all know that it was the policy of this government to try to shift some of the employment opportunities in housing from the summer months to the winter months, and this has been remarkably successful. The success of this policy is reflected in the very great improvement in the employment statistics during the winter of last year. If you shift business and housing activities from one quarter to another as was done, then understandably in the second quarter there must be some reduction.

Inquiries of the Ministry

Mr. Diefenbaker: Understandably the government has to shift, too.

Mr. A. D. Hales (Wellington South): A supplementary question to the Minister of Finance concerning the remarks he has just made. Would he consider withholding the extra 3 per cent sales tax or removing it altogether so the $500 winter bonus would have some effect?

Mr. Gordon: Mr. Speaker, I believe I have answered that question on several other occasions.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Finance.

If national productivity is increasing, can the minister tell us whether the purchasing power of Canadians is increasing at the same time? Is there some balance between production and consumption in Canada?

[*Text*]

Mr. Speaker: Order, please. I do think this question should be, shall we say, reworded.

EXTERNAL AFFAIRS

DELAY IN ARRIVAL OF RUSSIAN PROFESSOR AT UNIVERSITY OF SASKATCHEWAN

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to direct to the Secretary of State for External Affairs. Has a delay been caused in the departure for Canada of Professor Nicolaev of Moscow state university to take up his post as visiting economics professor at the Regina campus of the University of Saskatchewan, and have inquiries on this matter been made to the minister by Saskatchewan university officials?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the principal of the University of Saskatchewan was in touch with me yesterday. The professor in question will arrive in Regina on October 3. There has been no delay; there has simply been a requirement that the necessary formalities be complied with.

[Mr. Gordon.]

CYPRUS—FREEDOM OF MOVEMENT OF PEACE KEEPING FORCE

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question concerning Cyprus to the Secretary of State for External Affairs. In the light of the minister's answer to me last Thursday that he was content that the problem of freedom of movement of United Nations troops on Cyprus had been settled, and in the light of his answer yesterday to the right hon. Leader of the Opposition that the UN force is not being hobbled, I should like to ask him whether he still feels this way in view of the reports that the Turkish Cypriots continue to refuse to turn over the strategic Kyrenia-Nicosia road to the United Nations who, by agreement, are supposed to exercise exclusive control over the entire 18 miles?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, when my hon. friend asked me that question last week the reply was one which I think fitted the situation. He is now referring to an incident. There will be other incidents. The fact that these arise does not alter the fact that the reply I gave yesterday and the reply I gave a week ago were, in the circumstances, the kind of replies that the circumstances warranted.

Mr. Nesbitt: I have a supplementary question. I take it from the reply of the Secretary of State for External Affairs that his answers vary from day to day according to circumstances.

Mr. Martin (Essex East): Mr. Speaker, my replies vary depending upon the circumstances to which they apply and not on the sometimes insecure foundation of the questions put.

Mr. Nesbitt: Mr. Speaker, is the secretary of state then suggesting there has been no interference with the UN force by the Turkish Cypriots?

Mr. Martin (Essex East): Mr. Speaker, my hon. friend is really too intelligent to persist in that question.

FINANCE

POLICY RESPECTING PREPARATION OF DEPARTMENTAL ESTIMATES

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Finance a question.

Some hon. Members: Hear, hear.

Mr. Howard: It is obvious that some of the members have been absent for some time.

Mr. Winkler: Not for three months.

Mr. Howard: I should like to ask the Minister of Finance whether it is the policy of his department or his government, in the compilation of estimates, to prepare them on a five year basis rather than one year, as has been the case hitherto?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, perhaps I may be permitted to compliment my hon. friend on his floral decoration, which looks very nice. In answer to his question may I say that it is still the practice to prepare the estimates on a one year basis for presentation to the house, although I think it is helpful in the preparation of those estimates—and perhaps one day this will be the case in their presentation too—to take a longer look and a longer sweep.

Mr. Howard: May I ask a supplementary question. As I remarked earlier, roses grow despite the fact that the Liberals are in office. I wonder whether the minister could explain how it is that his colleague the Minister of Citizenship and Immigration is able to write to the united fishermen and allied workers union in British Columbia in regard to that department's expenditures and tell them that "the departmental expenditures will be maintained at the same level at least during the next five years"?

Mr. Gordon: Well, Mr. Speaker, I think that is a perfectly reasonable prognostication for the Minister of Citizenship and Immigration to make. I have not seen the whole letter, but on the basis of that extract I would certainly support the statement.

Mr. Howard: It is not a prognostication, Mr. Speaker; it is a definite commitment.

REPORTED U.S. PRESSURE TO REVALUE CANADIAN DOLLAR

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Finance?

Following a report from the United States to the effect that the U.S. government was bringing or would bring pressure to bear on the Canadian government to have the Canadian dollar value set at par, does this government intend to do so, since everything seems to go very well, as was mentioned by the Minister of Trade and Commerce (Mr. Sharp) and the Minister of Finance (Mr. Gordon)?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, there has been no pressure of any kind, and there is no intention on the part of the government to change the value of the Canadian dollar.

INTERNATIONAL MONETARY FUND—PROPOSALS BY FRENCH MINISTER

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, may I direct a question to the Minister of Finance?

At the last meeting of the international monetary fund held in Tokyo, did the minister support the proposals of Mr. Valery Giscard d'Estaing, the French minister of finance, to improve the international payments system through abolition of the gold standard?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): On the contrary, Mr. Speaker, Canada supported an expansionary move on the part of the international monetary fund. To the extent that the proposals of the distinguished finance minister of France included some novel ideas we were sympathetic to them; but on balance we felt that his proposals would be restrictive rather than expansionary.

[*Later:*]

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance following on his answer to the hon. member for Chicoutimi a few moments ago. I am interested in his statement that in the view of the Canadian delegation the proposals of the government of France would be restrictive rather than expansionary, because of the fact that many distinguished economists have been advocating similar proposals for some time to relieve the liquidity situation in connection with foreign exchange. I gather the French proposals were somewhat along the lines of those proposed by Dr. Triffin, and I wonder whether the minister could explain how the conclusion was reached that they would be restrictive rather than expansionary?

Inquiries of the Ministry

Mr. Gordon: Mr. Speaker, I do not think I could give a short, sharp answer to a question of this kind, but I would be glad to do so at the first available opportunity.

CANADIAN BROADCASTING CORPORATION

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Mr. Ron Basford (Vancouver-Burrard): Mr. Speaker, I should like to direct a question to the Prime Minister. This morning the Prime Minister and some of his colleagues met with the mayor, aldermen and park commissioners of the city of Vancouver to discuss proposals for the redevelopment of downtown Vancouver and the disposition of the R.C.A.F. air base at Kitsilano. I am wondering whether the Prime Minister is able to report what progress was made and whether any decision was arrived at.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the discussions were very friendly and very helpful, and they are continuing this afternoon.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a supplementary question. Has there been any decision on the part of the government not to give part of the Kitsilano air base to the C.B.C.? The Prime Minister will recall that the head of the C.B.C. when he was in Vancouver in June said "We are going to get this", and I am now wondering whether there has been any change in that situation.

Mr. Pearson: Mr. Speaker, I am sure the right hon. gentleman would not expect me to answer that question while the discussions are taking place.

EXTENSION OF FM BROADCASTING TO QUEBEC CITY

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I wish to direct a question to the Secretary of State.

In view of the fact that the Canadian Broadcasting Corporation has just announced its frequency modulation programs for the fall, could the minister inform us as to whether the corporation intends to extend these programs to the city of Quebec?

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the programs announced recently only concern the cities of Toronto, Montreal, Vancouver and Ottawa.

I shall ask the C.B.C. about its intentions regarding the city of Quebec.

[*Text*]

HOUSING

VANCOUVER—POSSIBLE EVICTIONS FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): I should like to ask a question of the Postmaster General. Being responsible for C.M.-H.C., is the minister aware that certain of the members of the Fraserview veterans tenants and home owners association have today received letters from the local office of the Central Mortgage and Housing Corporation advising that tenants may remain if they send in a signed acceptance of the increased rents and pay the current rent to October 1; and can the minister say whether those who do not do so will be forcibly evicted?

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I think that is a question for the order paper.

An hon. Member: That is effective October 1.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a point of order. That is not a matter for the order paper. In spite of the fact that the Minister of Labour thought September had 31 days, today is the second last day of this month and this is a matter of great urgency to these people. There is only 24 hours in which they can possibly have an answer. I submit the government has played around with this question long enough and that these people have the right to know now what the answer is.

Some hon. Members: Order.

Mr. Nicholson: Mr. Speaker, the government has not played around with this matter for a long time. The government has made a decision.

Mr. Diefenbaker: What is it?

Mr. Nicholson: The time limit does not expire until midnight tomorrow night, and already out of a total of 600 over 500 of the tenants have acquiesced in this decision. There is still time for some of the others to reach a conclusion, and no decision can very well be taken, as the right hon. gentleman should know, until that time expires.

Mr. Diefenbaker: Mr. Speaker, if the government has been finally activated into getting together with these people I am very happy to hear it.

Mr. Nicholson: That is more than the previous government did.

Mr. Chatterton: A supplementary question, Mr. Speaker. Would the minister consider delaying any drastic action until these people have had a chance for a public hearing?

Mr. Nicholson: Mr. Speaker, that question was answered on or about July 15 and again in the month of August.

AVAILABILITY OF APPLICATION FORMS FOR WINTER CONSTRUCTION BONUS

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour. When will the application forms for the bonus on winter built houses be available?

Mr. Muir (Cape Breton North and Victoria): September 31.

Hon. A. J. MacEachen (Minister of Labour): I will advise my hon. friend.

Mr. MacInnis: Mr. Speaker, I did not hear the reply of the minister, and I think this is a most urgent question. I have a supplementary question if I can get an answer to the original.

Mr. Churchill: What is your answer?

Mr. MacEachen: Mr. Speaker, I answered my hon. friend, and I am sure he did not hear me because of the noise in the chamber.

Mr. MacInnis: Having acknowledged the fact that I did not hear the minister, would he now please make himself heard and not be arrogant?

Mr. MacEachen: I will be glad to make inquiries and advise my hon. friend as to the date when these application forms will be available.

Mr. Churchill: Check your calendar carefully.

Mr. MacInnis: I have a supplementary question, Mr. Speaker. I would ask the minister whether he would consider the fact that many prospective home builders now wish to put in basements before the frost sets in, and will this disqualify them from the bonus if they proceed with the building of the house during the specified time?

Mr. MacEachen: Mr. Speaker, I am not sure what potential disqualification my hon. friend has in mind.

Mr. MacInnis: To clear it up for the minister, the potential disqualification is the fact that prospective builders who wish to put in basements before the frost sets in do not wish to disqualify themselves by so doing before the specified time of the bonus that is applicable. Is that clear enough?

Mr. MacEachen: I thought the question had to do with application forms; however, it has to do with the conditions of the program. These conditions are clearly set out. I do not think the case indicated by my hon. friend would constitute any disqualification.

LABOUR RELATIONS

POSSIBLE EFFECT OF PROSPECTIVE STRIKE OF U.S. LONGSHOREMEN

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Labour. In view of the strike deadline set for tomorrow midnight by the United States longshoremen's international union and the distinct possibility that Canadian longshoremen in eastern ports may walk out in sympathy with this strike, can the Minister of Labour assure us this is only a possibility? If not, what action is the government prepared to take to avert this situation?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I am not in a position to make a comment on a situation that is still hypothetical.

INDIAN AFFAIRS

POSSIBLE TRANSFER OF JURISDICTION TO PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, in the absence of the responsible minister may I direct my question to the Prime Minister and ask him whether any agency of the federal government is negotiating with any agencies of the provincial governments with respect to the transfer of jurisdiction over the Indian people of Canada from the federal government to the provincial governments.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this question has come up several times and has been answered. I suggest that my hon. friend put it on the order

paper and he will get a written answer, or perhaps he could bring it up at ten o'clock this evening.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct this question to the Prime Minister. Are representatives of the Department of Citizenship and Immigration meeting at the present time with various provincial representatives in order to secure from the provincial representatives acceptance of responsibility over Indians? Right at this very moment are meetings taking place?

Mr. Pearson: Not to my knowledge, Mr. Speaker, but if my right hon. friend had given me notice of this question perhaps I would have been able to get the most up to date information.

Mr. Diefenbaker: Mr. Speaker, possibly if the minister were in his place, where he should be, we would have an answer in the house.

Mr. Pearson: Mr. Speaker, if in fact the conference to which my hon. friend refers is taking place, perhaps the minister is at it.

Mr. Diefenbaker: It is some of his juniors.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, again respecting this matter of the Indians I would like to direct a question to the Prime Minister. Have the Indians, their bands or tribes, been consulted by the government as to whether they would be prepared to be transferred from federal to provincial jurisdiction? Second, will the Prime Minister give the house the assurance that in whatever discussions are going on at the moment, of which he has said he has no knowledge, nothing will be done to deal with the transfer of Indians from federal authority without the consent of the Indians themselves; because I am sure he will agree that any other course would be to place them in the position of being chattels.

Mr. Pearson: Mr. Speaker, I agree with the latter part of the right hon. gentleman's observation. So far as the first part is concerned, I shall give a detailed answer tomorrow.

AIR CANADA

TRANSSHIPMENT OF CARGO FOR JAPAN TO FOREIGN CARRIER

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I wish to direct a question to the Acting Minister of Transport. Can he advise the house whether it is the policy of Air Canada to transship air cargo to Japan by a foreign carrier rather than using the service of a Canadian air line that maintains a regular service to that country and has all the necessary facilities and aircraft based in Vancouver?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, I will take the allegations in the hon. member's question as notice and try to get some information on the subject.

TRANSPORT

PROVINCIAL REPRESENTATION AT BRIEFING ON RAILWAY LEGISLATION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, yesterday I asked a question of the Acting Minister of Transport, who promised to look into the matter immediately and inform me whether the government would invite representatives of the provincial governments interested in the railway legislation to attend the meeting arranged for Thursday.

Hon. G. J. McIlraith (Acting Minister of Transport): Yes, Mr. Speaker, the hon. member asked me a question, as appears on page 8483 of *Hansard,* concerning the arrangement that had been made for members of the House of Commons to meet informally in private session to hear an explanation of the railway bill from officials of the Department of Transport, and to get background information on the subject. The hon. member asked that representatives of the provincial governments be invited to attend and I undertook to give the matter consideration.

The answer is that because of the nature of the meeting arranged for tomorrow it would be quite inappropriate to invite representatives of the provincial governments, particularly in view of the fact that most of the provinces most directly concerned with this legislation participated actively in the discussions after the MacPherson royal commission report was tabled and while the legislation was being drafted, and are already experts on the background information with regard to this complex bill.

Mr. Hamilton: As a supplementary question, is the minister aware of the fact that these provinces are of the opinion that they have received a pledge from the federal

government that they will be considered, at a time when they can make some recommendations to change legislation before decisions are finally reached? It was on this point that I was directing my question yesterday.

Mr. McIlraith: I am thoroughly familiar with the understandings with the various provincial governments. I do not accept that they are in precisely the same form as the hon. member puts them forward, but the assurance was given the provinces that they would have an opportunity to present their points of view at the committee stage of the bill.

POWER

ONTARIO—LOCATION OF PROPOSED NUCLEAR PLANT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, may I direct a question to the Minister of Industry and ask him whether Atomic Energy of Canada Limited has yet reached a decision on the exact location in southern Ontario of the proposed new nuclear power plant.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the hon. gentleman is aware that primary responsibility for selecting the site rests not with Atomic Energy of Canada Limited but with the Ontario hydroelectric power commission. Further, the selection by the Ontario hydroelectric power commission is subject to approval by the atomic energy board of Canada, and to my knowledge the formal submission to the atomic energy control board has not yet been made by the Ontario hydroelectric power commission.

CANADIAN FLAG

INQUIRY AS TO CONSULTATION WITH PROVINCES

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Minister of Justice. Can the minister inform the house whether the government is ready to recognize the right of the provinces to be consulted on the flag issue, by placing the matter before the provincial attorneys general for their opinion?

Mr. Speaker: Order. The question is very important, but it does seem to me it is one for the order paper.

PUBLIC SERVICE

REQUEST FOR REVIEW OF NORTHERN ALLOWANCE PAYMENTS

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I want to direct a question to the President of the Privy Council. Is he in a position to answer the question directed by the hon. member for Churchill to the Minister of Finance on September 25, which asked if the President of the Privy Council would consider postponing the implementation of drastic cuts in northern allowances to federal employees working in northern parts of Canada?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, an order was issued a few weeks ago graduating the impact of the change in the rate of allowances. The further point raised by the hon. member for Churchill had to do with time differences in implementing certain changes by various departments. The practice is that the treasury board makes an order which fixes the maximum allowance that may be granted, and the application of that order is left to the different departments, so it is possible for a difference to arise between departments as to applicability at any given time.

Mr. Rhéaume: As a supplementary question, would the President of the Privy Council give consideration to hearing representations on this important matter from the staff associations representing federal government employees in various parts of the north?

Mr. McIlraith: I do not know whether there would be any useful purpose served by that. They have already made their representations in the ordinary way, but if further representations are to be made, I will certainly be glad to have them.

CANADIAN CONSTITUTION

DISCUSSION WITH QUEBEC MINISTER RESPECTING REPATRIATION

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I wish to ask the Minister of Justice a question.

Did the minister, or any minister of the crown, meet over the week end the Quebec minister of education, Hon. Paul Gérin-Lajoie, to discuss the repatriation of the Canadian constitution?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I must say that I did meet Hon. Paul Gérin-Lajoie, not over the week end but yesterday. We had several matters to discuss and of course I took that opportunity to bring up the question of amending the constitution.

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I would like to ask a supplementary question.

Would the Minister of Justice tell us if he intends to discuss tomorrow amendments to the constitution, even if Mr. Lesage stated, as headlined in this morning's *Le Devoir*:

Too early to discuss changes in the constitution.

Mr. Favreau: Mr. Speaker, it is evident that the business of the house, as announced yesterday, remains unchanged.

Probably my hon. friend and myself do not give the same interpretation to newspaper headlines, because I understood, although I have not yet read Mr. Lesage's speech, that in his opinion the time was not ripe to make substantial changes to the very text or to the spirit of the constitution. In my opinion, he never said that the time was not ripe to repatriate the constitution.

[*Text*]

[*Later:*]

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Justice. Will the minister assure the house that the federal and provincial rights of all Canadians will be preserved in regard to equality and the propagation of true co-operative federalism fostered, at the forthcoming meeting of the provincial attorneys general?

SOCIAL INSURANCE

DISTRIBUTION OF BUSINESS CARDS BY TORONTO INSURANCE COMPANY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the Minister of Labour a question arising out of a business reply card distributed by a life and casualty insurance company based in Toronto. The message on the card is:

Important—If you have received your social insurance number you can qualify for the federal social security plan—Pays for food—Pays for clothing—Pays for shelter—Even a guaranteed income to your family after death.

While the card has a certain amount of humour about it, it could create a good deal of confusion, particularly because of the reference to the social insurance number. Could the minister investigate this and see whether there has been any liaison or whether there is some relation between this and the Liberal social security plan we have all heard about since 1919?

Mr. Speaker: Surely the hon. member would take particular delight in putting this question on the order paper.

VETERANS AFFAIRS

MONTREAL—REPORTED REFUSAL OF MEDICAL TREATMENT TO R.M.C. CADETS

On the orders of the day:

Mr. D. W. Groos (Victoria, B.C.): I have a question for the Minister of Veterans Affairs. Has the minister had an opportunity to continue his investigation into the incident I described to him yesterday in my question about the injured cadets of the Royal Military College who were refused admission last Saturday to the Queen Mary veterans hospital in Montreal? If so, does he wish to make any amending statement to the house?

Hon. Roger Teillet (Minister of Veterans Affairs): I cannot at this stage accept the suggestion that treatment was refused. I am given to understand that a full report will be brought in from the Queen Mary hospital this afternoon, and perhaps I shall be in a better position to reply fully tomorrow.

In answering a question yesterday from the hon. member for Victoria (B.C.) respecting this situation I attempted to give the house the little information which had come to hand, while indicating that it was sketchy and incomplete. I am now informed that implications were read into my remarks, and I wish to correct them now. There was no suggestion in my observations that there had been any misbehaviour on the part of these cadets, and if anyone read this into my remarks, I apologize. Any such suggestion is totally unwarranted, and there is no evidence whatever that any misbehaviour had taken place.

ADMINISTRATION OF JUSTICE

INQUIRY AS TO GENERAL AMNESTY TO COMMEMORATE ROYAL VISIT

On the orders of the day:

[*Translation*]

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Could he tell the house whether it is the intention of the government to grant, as it

was done on the occasion of the last visit of Her Majesty Queen Elizabeth II, a one month amnesty for each year of sentence to all prisoners in federal and provincial jails in Canada?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, in that regard I must say that one of my predecessors in the Department of Justice, Hon. Davie Fulton, on the occascasion of the last royal visit, when the provisions of the Parole Act were just being implemented, announced in a statement made on behalf of the government of that time, that it was the last amnesty to be granted on the occasion of a royal visit.

I looked into the matter, as the government also did, and I must say that for the reasons then mentioned by Hon. Davie Fulton, it is also the opinion of this government that in view of the implementation of the Parole Act these last six years, it would not be proper that an amnesty be granted this year on the occasion of the royal visit, and that is the recommendation that will be made.

Mr. Balcer: Mr. Speaker, I should like to ask the Minister of Justice a supplementary question.

Could he tell us on what date such a decision was made?

Mr. Favreau: It was in 1959 and I believe the press release was issued two weeks prior to the royal visit.

Mr. Balcer: Mr. Speaker, I thank the Minister of Justice, but my question concerned this government's decision not to grant an amnesty.

Mr. Favreau: I do not know the exact date, Mr. Speaker, but it was made during a cabinet meeting held some time last week.

[*Text*]

INQUIRY AS TO AMENDMENT OF PAROLE ACT

On the orders of the day:

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): Mr. Speaker, I would have a supplementary question to put to the Minister of Justice.

At his meeting last week on St. Helen's island, with the solicitor general of the province of Quebec, was the amending of the Parole Act discussed?

[*Text*]

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

Inquiries of the Ministry

DORCHESTER PENITENTIARY—REQUEST FOR STATEMENT ON STABBING OF GUARD

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, may I ask the Minister of Justice if he is in a position to reply to my question of last Friday concerning a report on the fatal stabbing of a guard at the penitentiary at Dorchester?

Hon. Guy Favreau (Minister of Justice): Yes, Mr. Speaker. I am now in a position to inform the house that yesterday Mr. D. M. McLean, regional director of penitentiaries for the Ontario region, was appointed as a commissioner of inquiry and is proceeding to Dorchester penitentiary to inquire into, and report upon, the circumstances of the alleged murder of Edwin James Masterton, a guard at Dorchester penitentiary. I think Mr. McLean's report will be in our hands within the next ten days. The young inmate named Colpitts was arraigned at court in the Dorchester county jail on Friday, September 25, charged with capital murder. He is being held in Dorchester penitentiary until such time as his case has been before the grand jury.

Mr. Coates: A supplementary question, Mr. Speaker. Does the minister plan to take any special action to eliminate the inmate arsenals which the hon. member for Vancouver East indicated recently were a fact in federal penal institutions and can be pointed to as the prime cause of this fatal incident?

Mr. Favreau: Mr. Speaker, I should like to receive the report and study it before answering that question.

SPORTS

REQUEST FOR GRANT FOR 1966 QUEBEC FESTIVAL

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to ask the Minister of Justice a supplementary question concerning another matter. During his meeting with Hon. Paul Gérin-Lajoie, was there any discussion of the famous Quebec winter games problem, the solution to which is most impatiently awaited and urgent?

[*Text*]

Mr. Speaker: I think the same decision should apply to the hon. member for Lotbinière. Order paper.

Inquiries of the Ministry

FISHERIES

REMISSION OF FINES AGAINST PORTUGUESE FLEET

On the orders of the day:

Hon. G. J. McIlraith (Acting Minister of Transport): On Friday last, as appears on page 8429 of *Hansard,* the hon. member for Cape Breton North and Victoria directed a question to the Minister of Transport concerning the deposit or fine levied against Portuguese fishing vessels after landing in harbour, and the changes in its application. By way of an answer to the question I would advise the hon. member that on Saturday, September 12, at a press conference in St. John's, the Minister of Transport announced that the Minister of Citizenship and Immigration had agreed to restore the former system of requiring deposits of from $300 to $500 against the possibility of the desertion of fishermen from ships, in place of the higher deposit of $1,000. The higher deposit will continue to apply to merchant ships but the lower deposit is all that will be required of fishing vessels fishing off the coast of Canada.

This ruling will apply, of course, in all ports, not just in St. John's, as suggested in the question: but the reason for reverting to the old policy was the fear expressed in certain quarters that the higher deposit might result in the Portuguese fishing fleet moving from St. John's to St. Pierre as its main port for taking on supplies. It should be emphasized that the lower deposit with respect to fishing vessels applies in all ports, not just in St. John's, Newfoundland.

The hon. member also asked for the authority for the fine or deposit being levied. The authority is section 62 of the Immigration Act.

Mr. Robert Muir (Cape Breton North and Victoria): May I thank the acting minister for his reply to the question I asked on Friday, and add that I am sure I speak for all members of the house when I say how much we regret the fact that the Minister of Transport is ill and wish him a speedy recovery and return to this chamber.

Some hon. Members: Hear, hear.

Mr. Muir (Cape Breton North and Victoria): My supplementary question is this. Am I to understand from the minister's answer—I did not quite catch all of it—that no concession has been granted to the port of St. John's, Newfoundland, which will not be given, or has not been given, to the port of North Sydney or any other port in similar circumstances?

[Mr. Speaker.]

Mr. McIlraith: Mr. Speaker, there has been no discrimination as between ports. The order applies to all ports equally.

TRANSPORTATION

LACK OF RAILWAY PASSENGER ACCOMMODATION, MONTREAL-VANCOUVER

On the orders of the day:

Hon. G. J. McIlraith (Acting Minister of Transport): May I take this opportunity to answer a question which was asked by the hon. member for Medicine Hat on Friday last as reported in *Hansard* at page 8432, and again referred to yesterday, at page 8483 of *Hansard,* concerning the shortage of certain types of passenger accommodation on Canadian Pacific Railway trains between Montreal and Vancouver.

I have obtained the necessary information from the C.P.R. and the answer is as follows. Railway passenger equipment is used to capacity only over very short periods. Even in the heavy passenger months commencing in the latter part of June until after Labour day, there has been space available on Canadian Pacific transcontinental trains except for odd week ends this year as in past years.

However, as is normal in the heavy travel periods, some types of accommodation are often not available; for example, bedrooms or compartments. Passenger travel falls off drastically after Labour day, and accommodation is curtailed in accordance with demand. There has been sleeping car accommodation available on "The Canadian" every day over the last two weeks between many points, although special space, such as connecting bedrooms or drawing rooms, has not always been available.

The hon. member for Okanagan Boundary asked a related question concerning the difficulty experienced by railway union members as distinct from fare paying passengers in obtaining accommodation. The answer I have been given is as follows. During peak travel periods free transportation is not provided to employees on "The Canadian"; however, they can secure tickets at half the regular rate. Free transportation is provided on "The Dominion" during peak travel periods, and on "The Canadian" for sleeping car accommodation at other periods, restricted to advance reservations for upper berths only. Special arrangements are made for employees who, because of age or infirmity, require better accommodation.

NORTHERN AFFAIRS

HAINES CUT-OFF—U.S. OFFER OF WINTER MAINTENANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I ask the Minister of Northern Affairs and National Resources whether he has yet had a reply from the government of the state of Alaska to the counter offer of the Canadian government?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I informed the house yesterday that we had made an offer to the government of the state of Alaska in the same amount of money and on the same terms, namely one year's test for keeping the highway open this coming winter. I have a wire here, and I do not think I can do better than read the wire I have received from Governor Egan:

> Have received your telegraphic notification that your government ready participate with state of Alaska in winter maintenance of the Haines road between miles 48 and 94 on the same one year trial basis as the winter of 1963-64 providing for the payment of $127,050 in U.S. funds. As governor of Alaska this message is formal acceptance of agreement as stated in your telegram. We intend prepare for winter maintenance prior to signing written formal agreement as last year for signatures at earliest possible date.

Mr. Nielsen: May I ask a related question, Mr. Speaker. I ask the minister whether he can state the view of the Canadian government on the statement of Premier Bennett proposing a plebiscite of the people of the Yukon for the taking over of that territory by the province of British Columbia.

Mr. Speaker: Order, please.

[*Later:*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. This question has just dawned on me as the result of an answer given by the Minister of Northern Affairs and National Resources to an hon. member on this side of the house, which answer indicated that the government of Canada had been in direct negotiation with a state of the United States in regard to coming to an agreement.

I would like to ask the Secretary of State for External Affairs this question. Is not this a violation of the principles of protocol and a trespass upon his jurisdiction, when these matters should be considered between the government of Canada and the government of the United States and vice versa, and not between a government and a state or a province and a state?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend knows perfectly well that the relations between one country and another are normally undertaken through the foreign offices of both governments. But with regard to what has happened in this transaction, nothing has been done that necessarily ignores that situation.

Mr. Knowles: It is a precedent, though.

AGRICULTURE

DAIRY PRODUCTS—CONSIDERATION OF EXPORT SUBSIDY

On the orders of the day:

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, I have a question for the Minister of Agriculture which he may like to take as notice. In view of the reference by Mr. A. B. Williams, chief of the federal stabilization board of the Department of Agriculture, to the plight of the Canadian dairy farmer in his inability to compete profitably in abundant but low priced foreign markets, what consideration is the government giving to the fact that if Canada wants to export dairy products, subsidies will have to be paid to the producers to compensate for the lower prices that are essential for sales abroad? In general, when will the minister be announcing a new policy?

Mr. Speaker: Would the hon. member put this on the order paper.

TURKEYS—REIMPOSITION OF QUOTAS ON IMPORTS FROM U.S.

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Agriculture. Realizing that the minister has had recent consultations with the Canadian turkey producers in regard to their request for an embargo or curtailment of imports, would the minister say what his advice was to these people at that time?

Mr. Speaker: Is there any particular urgency in this question?

Some hon. Members: Yes.

Mr. Speaker: If not, would the hon. member put it on the order paper.

Mr. Winkler: It has been a contentious question, Mr. Speaker, and I think the minister was ready to reply.

Mr. Speaker: Perhaps the hon. member would be prepared to debate it at ten o'clock and give notice.

NATIONAL DEFENCE

EQUALIZATION OF PAY FOR PREVAILING RATES EMPLOYEES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a question for the President of the Privy Council. Several weeks ago he promised to look into the question of the prevailing rate employees at Dana. Has he a report for the house now?

Hon. G. J. McIlraith (President of the Privy Council): No, Mr. Speaker, the information has not come back yet. The actual examination of the situation is undertaken by Department of Labour officials and then is dealt with by treasury board. A final report is not yet ready, but when it is ready I shall be very glad to give the information to the hon. gentleman.

COLD LAKE, ALTA.—CONTRACT FOR AIRPORT HEATING SYSTEM

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, yesterday the hon. member for Edmonton-Strathcona, referring to the answer I had given him last Friday, asked if the conversion of the heating units in 850 married quarters connected with R.C.A.F. station, Cold Lake, would be carried out subsequent to tender call. As I indicated in my reply of last Friday, under the arrangements made by the Department of National Defence the Cold Lake Pipeline Company Limited is responsible both for the distribution system and the conversion of furnaces at Cold Lake. This company is required to guarantee and service the conversion units and, in consequence, it is its responsibility to arrange such work to be done by competent subcontractors.

In reply to the hon. member's specific question, I am informed that tenders were called by the Cold Lake Pipeline Company for the conversion of the furnaces in the married quarters units and that the lowest tender submitted has been accepted by that company.

PROVISION OF NUCLEAR MISSILES FOR EUROPEAN BRIGADE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Minister of National Defence whether newspaper reports are accurate, to the effect that nuclear missiles have been provided for the Honest John battery with the Canadian brigade in Europe; and if so, as of what date?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I understand that the battery is now operational. It is not the practice to give dates on which units become operational.

Mr. Churchill: A supplementary question, Mr. Speaker. May I ask whether these nuclear missiles are being held in storage, or have they been placed in position on their rocket dischargers?

Mr. Hellyer: Under ordinary circumstances, Mr. Speaker, I think they would be held in storage.

NEGOTIATIONS TO WITHDRAW FROM NUCLEAR DEFENCE ROLE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask the minister of external affairs, in view of Canada's more active participation in the nuclear club, whether he would give a report to the house on the progress of his negotiations to extricate Canada from her nuclear role, as promised by the Prime Minister?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, my hon. friend persists in asking this question week after week. There is only one thing to do, and that is refer him to the original reply.

IMMIGRATION

TORONTO—STATEMENT ON STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, yesterday the hon. member for Melville asked whether any further information was available regarding the presence in Toronto of two United States strike directors. The hon. member was referring, of course, to Mr. Ameln and Mr. Hogan, about whom the Minister of Citizenship and Immigration made a previous statement in this house. During the orders of the day on Friday the minister advised the house that according to information received from the immigration office in Toronto these two

gentlemen are continuing their activities in Toronto for the same purpose for which they were admitted and had not, to the minister's knowledge, taken part in any violent activity.

I can now say that in providing the minister with a report on the activities of these two men, the immigration office in Toronto checked all possible sources, including the city police in Toronto, and no charges have been brought against them. There is no evidence whatever to show that they are responsible for any acts of violence which may have taken place, or that they are in any way violating the conditions under which they were temporarily admitted to Canada. According to union officials they are still acting in an advisory capacity to the union. The fact that there has been no negotiation between the union and the publishers since about the end of last month does not in itself affect their status in Canada under the Immigration Act.

CANADA ELECTIONS ACT

INQUIRY AS TO COMMITTEE CONSIDERATION THIS SESSION

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I have a question for the Minister of Justice in his capacity as house leader. Would the minister tell me what consideration is being given to having the Canada Elections Act referred to the standing committee on privileges and elections before this session eventually ends?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, this is one matter which I will take under consideration.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed, from Monday, September 28, consideration of the motion of Mr. Hays for the second reading of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates, and the amendment thereto of Mr. Nugent.

Mr. J. H. Horner (Acadia): Mr. Speaker, last evening I rose to speak to the amendment. In summarizing what I said last night let me say that we on this side were disappointed at the action of the government in not giving their unanimous consent to the subamendment. The only conclusion we can draw from this action is that the government were somewhat ashamed and afraid to let this bill go to the agriculture committee, where it could have received the close scrutiny which some of us feel it merits.

I was also surprised last evening at the action of the members of the other opposition parties, the smaller parties, who talk so long and loud about house reform, issue ten point programs and statements and so on. They are all in favour of house reform. In their arguments last night on a point of order which was raised they even said they were in wholehearted support of the principle of the subamendment.

Mr. McIlraith: Order.

Mr. Horner (Acadia): But they voted against it because at that time they were not in favour of house reform. They issue ten point programs to the newspapers for publication, but when the question is put and the opportunity is given them to break new ground they are not willing to do so. Last evening clearly proved that they were not willing to do that.

Mr. Olson: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order. It seems to me that inasmuch as we are discussing the amendment we should stick to the amendment.

Mr. Olson: I should like to raise a point of order. The hon. member who now has the floor has no right to reflect upon a vote taken by the house. I also think he should clearly distinguish between breaking new ground and breaking the rules, which is what he is now doing.

Mr. Horner (Acadia): Some hon. members are thin skinned. Last night the hon. member for Medicine Hat spoke on this piece of legislation and on the amendment, and what did he say at that time? As reported at page 8508 of *Hansard* he said:

> I think the farmers should be allowed to consider the law and test it to see what kind of problems will be created.

In other words, Mr. Speaker, he is saying that he thinks the farmers should be allowed to get into trouble, if they can, under this piece of legislation, and then come back to us within a year and we will try as legislators to bail them out. He is asking, why should we look at this bill? He says the Minister of Agriculture says it is good legislation and that it is good for the farmers; let the farmers get into trouble and then we will bail them out. I can only say, Mr. Speaker, that I am glad this party takes its

responsibilities in this house more sincerely than that. We are prepared to look at the legislation and consider it.

Last night the Minister of Agriculture proclaimed that we in the opposition had asked for this legislation but that now we had it we would not pass it. He almost cried because the member for Acadia had spoken twice and had just blown a lot of hot air, or so he thought. He thought we were holding up this legislation because we wanted an election. I am convinced he thinks this legislation is so important that we might have to fight an election over it. Perhaps he was afraid that was the case.

Let us look at the facts. Our leader said "Bring in the legislation and we will proceed to pass it". That is what we are now doing. The minister should not be too concerned because we want to change the legislation slightly and improve it a great deal. He should not be alarmed because of the attitude taken by those members who feel their concern and responsibility very deeply. The minister was concerned that we should condemn this legislation on the one hand and observe that it had some beneficial aspects on the other. I suggest that is the situation in respect of an honest appraisal of any piece of legislation. Surely it is the duty of a member of parliament to point out his concern about a legislative measure. It is the duty of every hon. member to make known his fears and to point out those aspects of any measure which may be of some benefit.

As I sat and listened to the minister's remarks last evening I thought to myself that he is the Minister of Agriculture for Canada and the man to whom the farmers look for leadership. I listened to his speech in the hope that it would contain some answers to the questions which have been asked, but all it contained was a bunch of picayune political remarks about this brother and that brother, and about chinook winds blowing in southern Alberta.

The Minister of Agriculture did not rise in his place and defend this measure. This is a measure he could have brought in over a year ago, but he could not persuade his government to allow him to put it on the paper until this fall. He could not persuade his government to adjourn the flag debate and allow him to bring this measure before the house at that time. He could not persuade his government to allow us to debate this measure today and tomorrow, and perhaps pass it. No; tomorrow we must consider more estimates.

[Mr. Horner (Acadia).]

An hon. Member: Why don't we pass it today?

Mr. Horner (Acadia): Perhaps we will. Why did we not debate this measure last Wednesday rather than consider estimates? Who is holding up this measure? The government could have proposed this legislation a month ago and allowed us to debate it last Wednesday, at which time we perhaps would have passed it. I suggest this measure has been delayed as a result of the order of government business; or the lack of order, one might say.

Mr. Speaker, let us consider for a moment the leadership that is being given by the Minister of Agriculture. What do the farm publications say about his leadership? The minister referred last evening to the *Family Herald*, a well known and respected weekly farm paper. What does that publication say about the minister's leadership? What does the *Country Guide*, a monthly farm magazine, say about the minister's leadership? I should like to quote from an editorial which appeared in the *Country Guide* in September, 1964. It states:

> One of the ways that the Department of Agriculture has of passing information along to farmers is through news releases directed to the farm press. A recent one surprised us. The information in it was about Hon. Harry Hays, Minister of Agriculture.

Mr. Moreau: Mr. Speaker, I rise on a point of order.

Mr. Deputy Speaker: Order, please. The hon. member is rising on a point of order.

Mr. Moreau: Mr. Speaker, I should like to draw your attention to the fact that the hon. member for Acadia is hardly addressing himself to the bill now before the house.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order, please. The hon. member for Timiskaming has indicated he wishes to speak on the same point of order.

Mr. Peters: Mr. Speaker, I should like to draw your attention to the remarks made by the minister last evening during his speech, which were very seldom in order in that they were not directed to the amendment or the bill, but were highly political. I suggest the hon. member for Acadia should be allowed to reply.

Mr. Deputy Speaker: We have not heard the remarks of the hon. member for Acadia, so it is rather difficult for the Chair to decide

whether or not they are out of order. I suggest he be allowed to continue at least for the time being.

Mr. Horner (Acadia): Mr. Speaker, I am surprised at the thin skin of the hon. member for York-Scarborough, who has travelled as much as he has. I should have thought by this time he would have developed a thicker skin, particularly in view of some of the places he has visited. I should like to thank the hon. member for Timiskaming for his support.

I should like to continue reading from this editorial which refers to the leadership given by the Minister of Agriculture. It states:

> This is authoritative; it is a sober, objective evaluation of a fledgling politician. It is made, and signed, by none other than the same Mr. Hays. It is part of an 8-page "news release" from Canada's Minister of Agriculture. It is at once an insult to that office and to the farmers of Canada who look to the minister for leadership.
>
> We quote further from the above document, so inaccurately entitled a news release. "Following his election to the House of Commons and appointment as Minister of Agriculture, Mr. Hays devoted his energy initially to mastering the intricacies of his vast department and becoming familiar with the ways of the Commons. His policy of thought before action led some of his critics initially to underestimate his capacity to handle his new career."
>
> Initially Mr. Hay's most frequent action was to put his foot in his mouth. Now through issuing propaganda missives so laudatory to himself, he is evidently trying to cram the other foot in too.
>
> A great parliamentarian once observed, "A man does not increase his stature by standing on his dignity." Neither does he increase his standing in the public eye by mistaking propaganda for information.
>
> The Minister of Agriculture holds his high office both by virtue of election to parliament and by appointment to cabinet. He is in a position of trust and of power. His job is an arduous one demanding of time and talent. If Mr. Hays wishes to devote his energies and those of his department to extolling his own alleged virtues, farmers will have to look elsewhere for leadership.

Mr. Speaker, that is what this well known and respected farm magazine has to say about the leadership we have received from the Minister of Agriculture.

Some hon. members have expressed their fears and doubts in respect of this bill. Some of us have been concerned that any benefits to be derived from it will go to persons other than farmers. The minister has optimistically assured us that this proposed measure will be of benefit to farmers. At one time during the debate he rose in his place and said he did not want to embarrass the hon. member for Acadia, but that he thought all his questions would be answered. The minister exudes optimism. He even spoke of his own optimism in that famous Chicago farmers club speech when he said:

> To be the Minister of Agriculture, to be the mayor of a city, to be the auctioneeer of a good sale, or of a poor sale, you have to be a bit of an optimist and to show you how optimistic I am about the problems of the farmers and that sort of thing I'd like to tell you a story about an uncle of mine.

I am not going to tell you that story about his uncle.

Mr. Moreau: Mr. Speaker, I should like to hear your decision as to whether the remarks of the hon. member for Acadia are pertinent to the amendment now before the house. In my submission they are not.

Mr. Deputy Speaker: Order. I would think that the point now made by the hon. member is well taken. I feel the hon. member for Acadia should restrict himself to the principle of the bill now before us. I know he perhaps feels he should reply to some of the statements made by the minister in his speech; but on the other hand—and I was in the chair last night—I feel that the minister was, generally speaking, relevant to the bill before the house.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Therefore I would invite the hon. member for Acadia to respect the rules and limit his speech to the principle of the bill before the house.

Mr. Churchill: On a point of order, Mr. Speaker, surely it is not agreeable to the house to have rules for ministers and different rules for members elsewhere in the house. I was here last night when the minister was speaking, and he made a political attack on several members on this side of the house. He made accusations against them that had no relation to the bill whatsoever. Surely it is open to us on this side to reply to those statements of the minister. We cannot have two sets of rules, one applicable to ministers and one to others.

Mr. Deputy Speaker: Order. There is, of course, only one set of rules, and the hon. member for Winnipeg South Centre will notice that I recognized the right of the hon. member to reply to statements made by another hon. member on the other side of the house. That is why I feel the Chair has been lenient to this point in not interfering with the hon. member although to some extent, and I am sure all hon. members will agree, he was not strictly relevant to the principle of the bill before the house.

Mr. Nasserden: On the point of order, Mr. Speaker—

Mr. Deputy Speaker: A point of order was raised and—would the hon. member kindly resume his seat—it seems to me it would be conducive to the good order of the house if the hon. member for Acadia were allowed to continue his speech.

Mr. Horner (Acadia): Thank you. I hope the timekeepers have duly noted the length of the interruptions. I was dealing with the manner in which we should receive the bill. The minister has an optimistic nature which we must bear in mind whenever he speaks on a particular piece of legislation. I pointed to the optimism he expressed in his Chicago speech as an example of the optimism that is characteristic of him, and we must bear this in mind in viewing this legislation and the principle of the legislation. He went on to say in his Chicago speech:

> —talk about the job at city hall being a tough one, this one is a lot worse. There are only about four agriculturalists in the whole Liberal party but they are all agriculturalists on the opposition side. So I get a good overhaul every day.

I am not going to quote further from his Chicago speech. It was a good one, but it provided very little leadership for the farmers of our country. I seem to have lost another speech by the minister to which I was going to refer, in which he dealt with the Department of Agriculture and the principles behind it. He felt he should not be called Minister of Agriculture but the food minister of Canada. He said farmers should not be called farmers, that they led a hard, lonely life and should not be known by such a poor name as "farmer". He would have them called food producers or grocery growers. That was what he thought in his Toronto speech, in which he expressed great concern about the image of the department and the minister and farmers generally.

I suppose this bill is meant to build up his image, because he has been raving about this legislation for some time. He told the farmers of the Lethbridge area early this year that they must wait for it, but that it would change the agricultural economy vastly. He was greatly concerned about it at that time. He claimed last evening that it was badly needed. He claimed that farmers needed it urgently.

When one looks at the Farm Credit Corporation report to see how much money they lent for the purchase of equipment, one finds that only 1.2 per cent of the total amount was lent for that purpose. The industrial development bank has also lent quite a sum of money to agriculture since 1960, when the agricultural industry became eligible for loans from that source. Last year they lent nearly $5 million to the industry. Many corporations applied for and received loans from the industrial development bank at 7 per cent for the operation of farm syndicates.

With regard to the need for this legislation I have before me the *Country Guide* for September, 1964, which contains an article entitled "What About Machinery Co-ops?". The article is written by two members of the Saskatchewan department of agriculture. They say that legislation to enable farmers to set up machinery co-operatives has been available in Saskatchewan over the past 20 years and only one a year has been formed. That shows that the urgency is not too great. I will quote further from this magazine as I proceed.

We on this side of the house must ask ourselves by whom is the legislation needed so badly, and for what purpose? We on this side have tried to find out what the minister has in mind with regard to the definition of farm machinery. Many members on this side have offered suggestions as to machines that could qualify. Last evening in his speech the minister said these would all qualify, but did he offer any suggestions of his own? Did he tell us how he envisages that the bill will apply? Not one machine did he suggest in his speech last evening. He O.K.'d some I had suggested and some that other members had suggested, but did not give us a glimpse of what he envisaged that the bill would do.

He did talk about combines, of how small farmers in Ontario could benefit from the purchase of an eight foot combine and how small farmers in Saskatchewan could benefit from a $5,000 combine. I am sure the farmers of the west, particularly since this fall has been so wet, would be very wise indeed to pay little heed to what the minister said with regard to pooling their efforts in order to purchase a bigger combine. I should like to see the minister as a member of a syndicate trying to get a combine out of a farmer's field when the farmer was half finished and the sun was shining and the crop was ready to cut. I think that farmer would be prepared to buy out the other members of the syndicate very quickly, because there is tremendous urgency for a piece of machinery like a combine when a man's labour for a whole year is bound up in that crop and the weather and the elements are against

him in trying to take it off. He will go to great lengths to get his crop off in order to pay his bills and provide himself and his family with a living. I see very little help in this legislation with respect to meeting the needs of the average farmer or small farmer, or in particular the large farmer in western Canada.

The minister stated in his speech last evening that I had spoken twice on the bill already and had suggested no improvements. He stated I had been extremely critical but that he could find nothing in my remarks that could be taken as a positive suggestion with respect to lowering the high cost of machinery. I suggested at one point in my remarks that he could lower the cost of machinery by lowering the tariffs on a great many items used by farmers which are imported into Canada. Apparently he thought he should let that go by because it comes under another department, and though he is the Minister of Agriculture and supposedly the spokesman for the farmers in the cabinet, this still is not within his jurisdiction. He talked much about machinery and about the hot air which he attributed to me. I said that if this bill were in some way successful it would destroy some of the independence which the farmer treasures, and last evening the minister admitted this. He said the farmer would have to give up some of his independence.

Then the minister talked on about the family farm and made reference to an article in the *Family Herald*. In fact he advised us to read that article about the Knight family, but I had read the article myself. Now I have read it again, and it shows that this is a family enterprise. The minister quoted sentences from the article to show that a machinery pool was the answer to machinery costs, but he did not quote sentences from it to show that the Knights are not worried about who puts up their hay, because it is all in the family. He did not quote that part where they said they did not really mind who bought machinery because they exchanged it around and it was all in the family.

A family farm is altogether different from a syndicated farm. Members of a syndicate may have no blood relationship. They are strictly in it for the dollar, and they watch their dollars a whole lot closer.

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

Mr. Horner (Acadia): No, I am sorry, I will not. The minister did not permit me one last evening as he said he had not much time. I don't think I have much time left, either.

The minister said he envisaged this bill as an answer to all machinery problems on farms today, but I have here an article written by two members of the Saskatchewan department of agriculture entitled, "What about machinery co-ops?" This article says how successful they are, but it points out quite clearly that the only machines on which farmers can co-operate are those that have no specific time use, no specific time at which farmers must use them in the cycle of their work, which is the very thing I said two weeks ago at the resolution stage.

It goes on to point out that some of the co-ops are not successful where members share the crops harvested. If you pool the harvest in a co-op, then it really does not matter whether your own crop is taken off first or your neighbour's down the road. The machinery will take off the best crop first. This article, however, does not point out the need for legislation such as this. I shall read just one sentence from it:

> One of the major drawbacks to many machine sharing arrangements is to get agreement on seeding and harvesting dates on the various members' farms.

This is one of the great bones of contention, and points out the folly of the minister's remarks about three families joining together to share machinery.

The minister also said we had offered no suggestions for improvements. The hon. member for Red Deer (Mr. Thompson) spoke on this legislation, and he too thought it would help farmers buy their harvesting equipment. How will it? At present a small farmer can borrow $15,000 at 5 per cent interest under the Farm Improvement Loans Act. If he does that he can buy his own tractor, his own combine or his own threshing machine, which will take off his own crop, and it is reasonable to say that if the machine is used only on his own crop it will last much longer and require fewer repairs. Certainly the example which the minister gave had many holes in it.

Corporations can now borrow money under the Farm Improvement Loans Act if they are engaged solely in agriculture. Each corporation can borrow $15,000 at 5 per cent interest, and if the minister wanted to enlarge these corporations he could have done so by amending that act to allow each member of a farm corporation to borrow $15,000

from a bank, at 5 per cent interest. This would allow them to get their machinery much cheaper than under the terms of this bill.

What rate is going to be charged under this legislation? There is the cost of borrowing the money, a certain sum set aside for losses, and then a 1 per cent service charge. How often have you, Mr. Speaker, and all other hon. members condemned people for tagging on a service charge to the interest rate? Bills have been presented in this house and the other place, stipulating that the interest should be clearly stated as one item, without the disguise of a service charge. In years ahead if this service charge is not enough I suppose it will be increased to 1½ or 2 per cent. Why can't the minister say on this bill, "This is a good piece of legislation. It is an enlargement of the farm improvement loans. We want to help the farmers, not abuse them with something like a 7 per cent interest rate"? That is what the interest rate is going to be. Let the minister stand up and say if I am wrong.

Mr. Hays: Absolutely wrong.

Mr. Horner (Acadia): Then how much will it be? I am prepared to sit down if the minister will answer.

Mr. Diefenbaker: Silence.

Mr. Horner (Acadia): The minister says I am wrong, but when I ask him what the answer is he remains seated.

Mr. Hays: Mr. Speaker, when we get to the clause by clause examination of the bill we will be very glad to explain this. We have been waiting now for pretty near a month. The farmers have been waiting for this bill.

Mr. Horner (Acadia): The minister again drags in this red herring about our having waited nearly a month. Why was this legislation not on the order paper a month ago? Why did he not break into the flag debate with it? His government would not allow him to bring it in. We asked for it every day—

An hon. Member: He was out auctioneering.

Mr. Horner (Acadia): Maybe he was. You cannot blame him if he can make $40,000, as he did on one auction sale a year ago. It is great money. At that time he said he never collected it—he just turned it over to the Liberal party. The minister talks about our holding up this legislation. Why was it not debated last Wednesday?

Mr. Hays: Why do you not pass it today?

Mr. Horner (Acadia): We may; we may.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): The minister wants to put the blame on us for holding up this legislation, but in his speech last night he said:

> However, at this stage I believe the farmers of this country would like parliament to pass this legislation. Let us get it into operation in time to help them plan for their spring operations.

Is the minister confused, as the Minister of Labour was a few minutes ago, on what month it is? We are still in September. Spring may start as early as March in some parts of the country, but that is a little while away yet, and if we do not pass the bill today we can pass it tomorrow. This hocus pocus that the minister continually plays with does not hold him up as a leader of agricultural policy, as a leader for farmers across Canada to look up to and respect, to look to for leadership in their hours of need when they are caught in a cost-price squeeze, when they are caught in the land squeeze, as so many of them are today.

Last evening we proposed an amendment to refer the bill to the agriculture committee. There is no need to get this measure operational until next spring. We do not want to pass it until next spring. I have suggested its aim could be accomplished under the terms of the Farm Improvement Loans Act. The industrial development bank has been making loans for similar purposes for the last four years. Our party, in moving the amendment it did, was in full support of the principle but we wanted to take a further look at this proposal. We are completely in support of the principle but we would like to refer the matter to the agriculture committee. This was clearly stated by my hon. friend from Edmonton-Strathcona (Mr. Nugent). I am sure the party to which I belong would be prepared, now, to withdraw that amendment if the government would give us an assurance that the legislation before us would go to the committee on agriculture. I should like to see the minister stand up now and give us that assurance. I want to see this legislation applied across Canada in the best possible form. I want it to apply to all farmers, rich and poor.

The minister has confidence in this measure. He has nothing to hide. Why does he

not let it be examined, after hearing witnesses, by members of this party and of his own party? I am prepared to support the withdrawal of this amendment if the minister will make it clear that he has faith in this legislation and is convinced it will stand up to close scrutiny in the agriculture committee. That is all we are asking. I have said this bill will benefit only the large farmers. Let the minister announce that this measure will go before the agriculture committee where witnesses can be heard and these matters cleared up. What is he trying to hide? What is he trying to ram through the house by saying continually: You have held this measure up too long already. What is he afraid of? Is it the interest rates? Is it the definition of farm machinery? Is he afraid of the clause which provides for these promissory notes? Is he ashamed of that clause? Why should that clause be in the bill at all? Under the Farm Improvement Loans Act farmers have had the best record of all with regard to the repayment of loans; the loss has been less than one tenth of 1 per cent. Why does this particular provision have to be in the bill at all? Is the minister trying to muddy the good name of farmers, though most lending institutions respect that good name which farmers have built up over the years by keeping their word?

What is the justification for this provision that every farmer who enters a syndicate must become liable for the total amount of the obligation incurred? How many farmers would sign promissory notes to pay back possibly $50,000, while their own interest may be only one tenth of that sum? Let us take this measure before the agriculture committee so that we may find out what the experience of the industrial development bank has been with regard to loans to farmers. Let the farm unions come in and tell us what they think with regard to this proposal. These are organizations which have offered valuable suggestions in the past. Why is the minister trying to rush this legislation through? He has said himself that this is experimental legislation. Yet we are not supposed to say a word on it; we are supposed to pass it without question. To do so would be a poor discharge of our responsibility. The very fact that this is new and experimental legislation is good reason for referring it to the committee on agriculture for further perusal.

This whole business of corporations and partnerships could have been arranged, as I suggested earlier, under the terms of the Farm Improvement Loans Act which this house has lately revised. All that is offered in this measure could have been dealt with then and the whole matter could have been decided at the same time. The advantage would have been a 5 per cent interest rate on all machinery loans. The machinery would have been taken as the primary security, not a promissory note signing away a farmer's land, homestead and everything else against the total loss which might occur within a syndicate. Some hon. members have expressed the view that signing such a note would seriously impair a farmer's credit rating. What is more necessary to a farmer today than a good credit rating?

Mr. Deputy Speaker: I regret to have to interrupt the hon. member, but his time has expired. I may say the Chair has taken into account the three minutes or so which were taken up with points of order.

Mr. Horner (Acadia): I am sure the house would give me unanimous consent to continue.

Some hon. Members: No.

Mr. Otto: On a question of privilege. The hon. member for Acadia in the course of his remarks and in the heat of the moment made a statement which is of concern not only to members of this house but to farmers as a class. Comparing farmers who had formed themselves into a syndicate, with the Knight family, he said they would have no respect for co-operation with each other, but only for the almighty dollar. I am sure the hon. member did not mean that, and that he would not like such a suggestion to remain on the record.

Mr. Horner (Acadia): I will speak on that question of privilege for just a minute or so. I was trying to establish the difference between a family operation and a purely business operation, one in which a group of farmers had joined together. I said that a family operation, one where the father was watching over the son, was held together by a blood relationship and would be far different from one in which five or six businessmen were in business together. Their primary interest would be in seeing that the syndicate made a dollar. I know, of course, that if a company—

Mr. Deputy Speaker: Order. The hon. member has made an explanation of the statement which was drawn to his attention. I think that was necessary, but there is no question of privilege.

Mr. Andrew Brewin (Greenwood): I do not wish to get into what I might call the verbal slugging match between the Minister of Agriculture (Mr. Hays) and the hon. member for Acadia (Mr. Horner). In fact I do not think I would qualify in such a league. But I do want to press the minister to answer the perfectly reasonable suggestion which was made by my hon. friend from Timiskaming (Mr. Peters) and supported by my hon. friend from Kootenay West (Mr. Herridge).

They suggested the minister should indicate that after this bill had received second reading it would be referred to the standing committee on agriculture. It seems to me that this is a reasonable suggestion. Indeed, I cannot imagine anyone refusing it. Such a course would remove doubts about this legislation. It would I think shorten the debate at this stage, and surely the minister desires to shorten debate. He himself complained mildly in his remarks, that I thought were occasionally a little truculent, of lawyers such as the right hon. Leader of the Opposition (Mr. Diefenbaker) injecting themselves into a matter that is primarily a concern of farmers. Surely this is a very good reason why this particular matter should be referred to the committee in which most of the members are in fact experienced farmers and can go into this matter. It would be better to do that, and more appropriate, than to refer it to a committee of the whole.

The minister has told us this is a new type of legislation in Canada. If that is so, why should not the members of this house who are on a special standing committee to deal with questions of agriculture have the opportunity to question in a way and bring out things in a way that cannot easily be done in committee of the whole? It seems to me that as a matter of general principle that is a sound procedure. Surely we should be using the committees of this house more than we are doing; and it seems to me to be particularly appropriate to the bill that we are now considering on second reading.

I am no expert in agricultural matters, but I am concerned with questions of liability, responsibility and legislation. It seemed to me that two questions have been raised in this debate which have not been answered by the Minister of Agriculture (Mr. Hays), or at least not adequately answered by the minister. I know this is not the stage to discuss the different clauses of the bill in detail; however, I think it was the hon. member for Edmonton-Strathcona (Mr. Nugent) who raised what seemed to me a very serious point that should be discussed, namely the fact that under one of the key clauses of this bill members of the syndicate or partnership are required to sign a promissory note for which they are jointly and severally liable. This may mean the assumption of an obligation with regard to, I think the figure was $15,000 but it may, for all I know, be more than that for certain types of equipment. The question is raised, and properly raised: Would this affect the creditworthiness of the farmer who joined this syndicate? The minister says it is a simple matter and only farmers can comprehend it. But the question of getting into partnership and assuming liabilities for large sums of money is something that farmers as well as everybody else are well advised to look into carefully and take advice on.

Before I approve this particular aspect of the legislation, Mr. Speaker, I would very much like to hear what bankers would say about this aspect of the signing of a note. I can think of the case where many other members of the syndicate, perhaps ten others, would perhaps only contribute $1,000 toward the syndicate; but you sign a note for $20,000. Would that in fact affect the creditworthiness of the farmer? We have not been told anything about this. It is the sort of point that surely could properly be considered in the agriculture committee.

There is another item in the bill that I wish to question. Again, Mr. Speaker, I do not wish to discuss the clauses of the bill. The hon. member for Peace River (Mr. Baldwin) described, in language which I suggest is entirely just and appropriate, the provisions of clause 9 which provide that the governor in council may make regulations defining the key phrases used in this bill. The hon. member for Peace River described that method of legislation as repugnant and objectionable. I second those terms; I suggest it is repugnant and objectionable to ask this house to pass legislation which does not even define the meaning of the key phrases it uses and says, "We will have someone else define them for us later". I suggest that is legislative and parliamentary irresponsibility.

Therefore, Mr. Speaker, it would be a very excellent thing if this bill went to the committee on agriculture. I do not profess to know what is the proper meaning of the term "farm machinery". I might not know one piece of farm machinery from another, but I know there are members on the agriculture committee who are well able to provide adequate definitions for the purposes of this bill. Why should they not have the oppor-

tunity to do so, so that when we legislate, our legislation is in proper form and is not repugnant and objectionable, as the hon. member for Peace River adequately defined it? This is not the way to do business in this parliament; this is not the way to legislate. This would be objectionable in any legislation, be it farm legislation or any other legislation.

We in this group have made it abundantly clear that we support the principle of this bill. We commend the minister and agree that he should accept the plaudits that have been offered to him for having introduced it. We have no objection to that; it is his right to do so. It is his right, also, to characterize the objections of the opposition in whatever truculent terminology appeals to him; he can do that if he likes. But I suggest to him that if he wants to get the early passage of this legislation, if he wants to get the support of this house, if he wants to get the backing of this house in putting this legislation through, and if he wants legislation to be improved by the parliamentary process and not just laid down and our being told, "Take it or leave it", he will accede to the suggestion that has been made by the hon. member for Timiskaming (Mr. Peters) and repeated by the hon. member for Kootenay West (Mr. Herridge). I do not want to subscribe to everything said by the hon. member for Acadia (Mr. Horner); but he, too, said that if this reasonable step were taken, the amendment —which I simply do not support because I think it kills the principle of the bill, and I am in favour of the bill—would be withdrawn. I suggest that this be done, Mr. Speaker, so that we may get on with this legislation.

Mr. Richard Cashin (St. John's West): Mr. Speaker, I have been very anxious—

Mr. Horner (Acadia): Who is holding it up now?

Mr. Cashin: —for some time to participate in this debate.

Mr. Horner (Acadia): Who has been holding you back?

Mr. Cashin: I have withstood, as have all hon. members, what began to be a mild chinook from Alberta which reached hurricane force. Then, of course, we had the pleasure of one of those regular, polite little sermons that come from our friends in the New Democratic party. I would like to comment on some of the things the hon. member for Acadia raised in this, his most recent participation in the debate. I am not telling hon. members anything new if I state that the member for Acadia was true to form and contradicted himself in his usual fashion today.

Mr. Horner (Acadia): When and where?

Mr. Cashin: However, Mr. Speaker, I would not want to put the hon. member to the embarrassment to which he was subjected some time ago by the Minister without Portfolio (Mr. Dupuis). I would say this to you, though, Mr. Speaker, that I did note that the hon. member for Acadia, of all people, if you please, was talking about feet in mouth. I would say to him that if the minister, who he felt was having some difficulty getting his foot in his mouth, had as wide a mouth as the member for Acadia, he would do it with great ease; and when his foot got there the minister would then have more brains in his mouth than the hon. member has in his head.

Mr. Deputy Speaker: Order, please. May I suggest to the hon. member, as I took the liberty of suggesting to the hon. member for Acadia (Mr. Horner), that the hon. member who now has the floor is not debating the principle of the bill. I would enjoin him to limit his remarks to the bill before us.

Mr. Cashin: I would like to say, Mr. Speaker, that as a new member here I must apologize; I was probably following more the example of the member for Acadia, who finds it impossible to address himself to the merits of the legislation and be political at the same time. The minister of course was able to do this, to discuss the merits of the legislation and at one and the same time be political. When I have the experience of the Minister of Agriculture (Mr. Hays) I will of course be able to do that. In the meantime I will have to content myself with being somewhat on the level of the hon. member for Acadia. Hope springs eternal in the human breast, and some day I may rise above this.

If I may refer to the remarks of the hon. member for Acadia on an earlier occasion when he addressed himself to this subject—and I think I am in order in so doing—as reported at page 8320 of *Hansard* he said:

> I have looked at the bill very closely, Mr. Speaker. I studied it over the week end and thought of it a great deal.

That may seem difficult for him, but he said that is what he did.

I am a practising farmer and I realize the important part that money plays in the agricultural world today.

That is an astounding statement in itself and undoubtedly will be subjected to great analysis by historians in years to come. However, in reply to those remarks I should like to say that since that speech he has spoken at least once more and has shown little or no indication that he has studied this bill, although that should not bother us too much. I would suggest to him as his own little centennial project that between now and 1967 he study this legislation, and perhaps when it comes up for review at that time he might be a little more enlightening than he was this afternoon or during his earlier interjections in this debate.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I do not wish to take up the time of the house, but when I hear such high and mighty contributions as the last legalistic peroration I think it has gone far enough. I wish to reiterate that we on this side of the house make it very clear that our intentions are to have this piece of legislation placed before the standing committee on agriculture and colonization, and at this time we will terminate this debate in the hope that the government will take the necessary action to see that this piece of legislation is placed before that committee.

Mr. Hays: Mr. Speaker, I suppose I have an opportunity to close the debate?

Some hon. Members: No.

Mr. Deputy Speaker: The minister has already spoken on the amendment, and I have now to put the question on the amendment. Is the house ready for the question?

Some hon. Members: Question.

Mr. Horner (Acadia): Mr. Speaker, perhaps the minister would like to make a statement on referring the bill to a committee.

Mr. Deputy Speaker: The minister has already taken part in the debate on the amendment and therefore cannot speak a second time.

Mr. Horner (Acadia): But his parliamentary secretary could.

Mr. Nielsen: Mr. Speaker, on a point of order, before Your Honour puts the question may I say that perhaps the minister was trying to rise to assure the members of the house that this matter would be going before a committee. If that is the fact there would be no need for a vote.

[Mr. Cashin.]

Mr. Hays: No.

Mr. Danforth: The minister says no.

The house divided on the amendment (Mr. Nugent) which was negatived on the following division:

YEAS

Messrs:

Aiken
Balcer
Bell
Bigg
Cantelon
Cardiff
Chatterton
Churchill
Coates
Cooper
Danforth
Diefenbaker
Dinsdale
Fairweather
Fane
Fleming (Okanagan-Revelstoke)
Flemming (Victoria-Carleton)
Girouard
Gundlock
Hales
Hamilton
Horner (Acadia)
Horner (Jasper-Edson)
Howe (Wellington-Huron)
Irvine
Jones, Mrs.
Jorgenson
Kennedy
Lambert
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Martineau
Millar
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Nugent
Pascoe
Paul
Pugh
Rapp
Rhéaume
Ricard
Simpson
Southam
Stenson
Vincent
Wadds, Mrs.
Watson (Assiniboia)
Webb
Winkler—61.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grâce)
Badanai
Basford
Batten
Beaulé
Béchard
Beer
Benidickson
Berger
Blouin
Boulanger
Boutin
Brewin
Byrne
Cadieux (Terrebonne)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caron
Carter
Cashin
Choquette
Chrétien
Côté (Chicoutimi)
Côté (Longueuil)
Crossman
Cyr
Deachman
Deschatelets
Dionne
Drouin
Drury
Dubé
Dupuis
Ethier
Eudes
Favreau
Fisher
Forgie
Foy
Gauthier
Gelber
Gendron
Gordon
Granger
Gray
Greene

Grégoire	Mitchell
Groos	Moreau
Guay	Mullally
Habel	Munro
Hahn	Nicholson
Haidasz	O'Keefe
Harley	Olson
Hays	Otto
Hellyer	Patterson
Herridge	Pearson
Honey	Pennell
Howard	Pepin
Jewett, Miss	Perron
Klein	Peters
Knowles	Pilon
Konantz, Mrs.	Plourde
Lachance	Prittie
Lamontagne	Prud'homme
Laniel	Robichaud
Latulippe	Rochon
Leblanc	Rock
Leboe	Rondeau
Legault	Rouleau
Lessard (Lake St. John)	Roxburgh
Macaluso	Ryan
MacEachen	Sauvé
MacNaught	Sharp
McIlraith	Stewart
McLean (Charlotte)	Tardif
McMillan	Teillet
McNulty	Temple
McWilliam	Turner
Marcoux	Walker
Martin (Essex East)	Watson (Châteauguay-
Mather	Huntingdon-Laprairie)
Matheson	Webster—120.
Matte	

Mr. Brown: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Cowan: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Mackasey: Mr. Speaker, I was paired with the hon. member for Bow River (Mr. Woolliams). Had I voted I would have voted against the amendment.

Mr. Ormiston: Mr. Speaker, I was paired. Had I voted I would have voted for the amendment.

Mr. Deputy Speaker: Mr. Favreau, for Mr. Hays, seconded by Mr. Sharp, moves that Bill No. C-121, an act to provide for the extension of credit to farm machinery syndicates, be now read a second time. Is it the pleasure of the house to adopt the said motion? Agreed. Carried.

Motion agreed to and bill read the second time.

And more than five members having risen:

Some hon. Members: Too late.

Mr. Hays: Mr. Speaker, we would like to vote on it.

Mr. Deputy Speaker: Order. I am afraid the motion has been declared by the Chair as being carried.

Some hon. Members: Oh, oh.

Mr. Deputy Speaker: Order. There is nothing before the house at the moment, and the Chair has to recognize a motion made by the government on the government's bill.

Mr. Hays, seconded by Mr. Sauvé, moves that I do now leave the chair for the house to go into committee of the whole—

Mr. Peters: Mr. Speaker—

Mr. Deputy Speaker: Order. Obviously the hon. member cannot move anything now when there is nothing before the house.

Mr. Peters: Mr. Speaker, I want to point out—

Mr. Deputy Speaker: Order. The Chair is now reading the motion put by the minister, who is the sponsor of the bill on which second reading has just been given. Mr. Hays, seconded by Mr. Sauvé, moves that I do now leave the chair for the house to go into committee of the whole on the said bill. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: On division.

Some hon. Members: No; carried.

Mr. Deputy Speaker: Carried on division.

Some hon. Members: No.

Motion agreed to on division and the house went into committee. Mr. Lamoureux in the chair.

On clause 1—*Short title.*

The Chairman: The hon. member for Rosthern.

Mr. Nasserden: Does the minister want to speak first, Mr. Chairman?

The Chairman: Order. May we please have order in the committee. There are conversations which prevent the Chair from hearing the hon. member for Rosthern.

Mr. Nasserden: Mr. Chairman, this bill is one of the most interesting ever to have come before parliament. A few moments ago someone across the way used the phrase, "the farmers' friend," and I want to say that he who is responsible for bringing this measure before parliament certainly cannot claim the distinction of being the farmers'

friend, when one considers the proposals embodied in this bill to provide credit to farm machinery syndicates.

It has been said that this legislation is daring, and last night the minister invited some comment in that regard when he referred to the fact that I had said it was not only daring but foolhardy. I would like to refer the minister to Funk and Wagnalls new practical standard dictionary for the definition of the word "daring": bold, venturesome, audacious, presuming. And if we turn to the word "foolhardy" we find: "bold without judgment, reckless, rash". And so on.

I intend in the remarks I have to make on the subject of this bill to outline those aspects where this legislation falls far short of the objectives held out before the Canadian farm people by the minister during the last several months. First I would draw attention to the fact that during the debate last night the minister referred to the speeches made from this side of the house as being long and taking up far too much time. I should also like to refer to the fact that several months ago, at the time of the by-election in the city of Saskatoon, the minister was a distinguished speaker there. Referring to agriculture on that occasion he had this to say:

> Mr. Pearson has admitted quite freely that we have made some mistakes because we tried to do too many things too fast.

This is not one of the things they have tried to do too fast. It is several months since the minister first indicated to farm people and members of this house that legislation would be brought forward to do something about the cost-price squeeze which affects agriculture. Today we have witnessed an expression of arrogance on the part of hon. members opposite, inasmuch as once again they have sought to deny the committee structure of the House of Commons. They have refused us the opportunity to take a close look at legislation which is in the making. I know why they fear such an examination. It is because they have so few members who are willing or able to attend the agriculture committee in the House of Commons. Throughout this session when that committee has held its meetings—and I confess it has not held the number of meetings it should have held—there has been a notable absence of Liberal members from that committee, despite the fact that there are many names on the list of Liberal members prepared to take an active role with regard to agriculture matters. On more than one occasion we have had to wait over half an hour to get a quorum. I hear the President of the Privy Council saying this has nothing to do with the legislation before us. It has something to do with the government's refusal to place this legislation before the committee on agriculture for study and deliberation.

Last night we heard a tirade from the Minister of Agriculture. I really must say I enjoyed listening to him. I say this very sincerely. The hon. gentleman not only puts his foot into his mouth but he leaves it there. A number of things which he said last night were, in my opinion, noteworthy. One of them is as follows:

> It is a simple method for our individual Canadian farmers to join together in a co-operative venture.

He went on to say:

> The primary security for loans under the proposed act will be the promissory note signed by the members of the syndicate. Collateral security will be taken where required on the machinery being purchased with the loan, but the corporation will not be taking security against any of the other assets owned by individual members of the syndicate. There should therefore be no conflict with the security requirements for loans under the Farm Improvement Loans Act.

The hon. gentleman could not have stated better the contention made by members speaking from this side of the house, that these provisions should have been brought forward as an amendment to the Farm Improvement Loans Act legislation rather than administered under the Farm Credit Corporation as is now proposed. It would have been very simple to have done this. If the minister were the farmers' friend he would bring legislation before this house to provide loans to purchase farm machinery at an interest rate of 5 per cent instead of the 6 per cent, 7 per cent and more which this money will ultimately cost under the Farm Credit Corporation. If the minister were the farmers' friend he would not load up the Farm Credit Corporation, which is already suffering from the weight it is carrying, with this additional burden. If the minister were the farmers' friend, and the taxpayers' friend, he would not bring forward a measure providing for the expenditure of $25 million when legislation by virtue of an amendment to the Farm Improvement Loans Act could have made provision for the banks to perform this service, while at the same time giving the farmer a more expeditious answer to his credit needs.

It was an interesting speech, I must say, despite the fact that the minister read every word of it. I hope the hon. member for Kootenay East (Mr. Byrne) followed every word

of it, because he is an authority on following those who read speeches in the House of Commons. The Minister of Agriculture said this:

> This is something brand new in Canadian agriculture. It is an experimental type of legislation and we will be ready to make whatever changes in its operation experience indicates.

Well, the minister can come into my riding at any time he wishes and tell the Mennonite people of my riding that this is a new departture. I recall when these people first came to Canada, with very few assets apart from their willingness to work hard to try to become a part of this nation. At that time they engaged in a good many co-operative activities—the pooling of machinery, the pooling of land on occasions, and similar arrangements. Over the years these people, who have proven to be some of the best farmers in Canada, have come to the realization that they get along much better by branching out on their own as individuals in order to build up farm enterprises and a place in the community. Having said this, I know there are many people who are in a limited way sharing in the cost of farm machinery today. But when I look at this bill and at the measures we already have on the statute books I cannot understand how a minister of agriculture who is trying to assume the role of the farmers' friend could bring into this house a measure providing for interest rates such as will be charged under these arrangements, as well as giving rise to the delays which must necessarily occur as a result of the exhaustive study which members of the Farm Credit Corporation must make in assessing the creditworthiness of each application. I cannot understand the minister doing this when all that is required is a simple amendment to the Farm Improvement Loans Act which would provide for the type of operation now contemplated.

Last night the minister said there was a demand that he should bring forward this legislation. Then he proudly said "We have brought it in" or "I have brought it in". But I ask the minister whether this is the type of legislation he promised the farmers of this country during the last several months. It is not, as I understand the statements made by the minister from one end of this nation to the other. Indeed, sir, if I recall correctly he started out by promising the farmers of this country some sort of rental arrangement under which they might secure farm machinery at rates conducive to the use of machinery on that basis. This measure, if it is anything, is a duplication of various other acts that are now on the statute books, acts that could have served the purpose just as well by a very simple amendment thereto. When we consider the bill itself and look at the financial provisions under clause 7, I would say that I never saw so much window dressing in all my life. I believe that if you look at the Financial Administration Act you will find almost word for word everything that is written into clauses 7 and 8 of this bill. If you go on to clause 11 you find something that is written into the present Farm Credit Corporation Act almost word for word.

We on this side of the house have certainly asked ourselves why the government has taken this very difficult way of implementing the desire that we believe is in the minds of all members of the House of Commons, namely to provide credit on a more comprehensive basis for all those who may need it. I recall the election propaganda issued during the last two election campaigns. On September 22, as reported at page 8313 of *Hansard*, I made some reference to this when I said:

> This pamphlet sets forth the basic problem. It is stated that the basic farm problem is the cost-price squeeze on the farmer's income. This is an important thing to remember when we are considering this bill, which is to provide credit for the purchase of farm machinery by syndicates. The other point that should be raised at this time, Mr. Speaker, is the fact that this bill provides for setting aside $25 million for the purposes embodied in the bill.

I compared that with the estimates of the Department of Agriculture, which total some $140 million. I went on to say:

> This bill does not lower the price of farm machinery. When one considers that $25 million is being set aside by this measure, and when one thinks of all the other things that could be done for farm people—

And so on. That is one of the questions that we have to concern ourselves with here today. I believe it is not too late for the minister to give some consideration to making the provisions of this legislation part of the Farm Improvement Loans Act, thus eliminating the high cost farm people will be faced with in respect of this particular measure. If the minister does not do that, there is only one conclusion to which I can come, namely that this is one of those pieces of legislation that is comparable to the Gordon budget, that first budget, that abortive budget; it is comparable to the Canada pension plan, which wasted so many hours of the time of the House of Commons and today is still not before us in a concrete form in which we can deal with that particular

matter. This legislation illustrates the same kind of carelessness that typified the introduction of the flag resolution by the Prime Minister himself.

Sir, I must ask you and the members of this house why our Prime Minister has let the minister bring this measure before us in such a thoughtless, careless way; careless of the time of parliament, careless of the benefits that could accrue to farmers, careless of the long term significance the encouragement of this type of legislation is going to give to a type of farming that many farmers in this country do not want to see develop. It is just another one of those acts of carelessness by the present Prime Minister. We had it first of all in the budget. Do you know, Mr. Chairman, why we had that budget? The Minister of Finance wrote a book, and he had to bring in the kind of budget that he brought in, abortive though it was. The Minister of Agriculture made a speech, and he had to bring in a bill such as this, regardless of the needs, wishes and desires of farm people. If we look at this bill, it says that the "minister" will be the Minister of Agriculture. Well, I hope he will be. Then it says:

> Where an individual has two or more major occupations, one of which is farming, the corporation may determine which of such occupations is his principal occupation for the purposes of this act.

Then clause 3 deals with the promissory note and other security required for the purposes of obtaining a loan. This security is almost identical with that required by the banks in regard to farm improvement loans at the present time.

I do not wish to take up any more time at the moment, Mr. Chairman, but I would ask the minister to tell us why the provisions of this legislation were not enacted by way of amendment to the Farm Improvement Loans Act. Also why does he think a higher interest rate is preferable? Why does he think the Farm Credit Corporation should be saddled with this additional load? Why does he think the banks cannot provide this service? If the minister answers some of these questions it will give us a better idea of what he has in mind. I have another question in regard to clause 9. We cannot help but ask the minister why we in parliament are not to be given the opportunity to deal with the regulations that will govern the ability of a farmer to secure assistance under this type of legislation. Why should that be left to the privy council, to someone else—I should not say "outside this parliament" because we hope they are in this parliament; but certainly they are outside the reach of the ordinary member of the House of Commons. I would certainly like an answer to some of these questions, Mr. Chairman.

Mr. Horner (Acadia): Mr. Chairman, I would like to say just a few words with regard to this bill now before us in committee. I might say at the outset of my remarks that it is too bad that certain amendments that will be put forward in committee of the whole could not have been put forward in the agriculture committee, where I think a better atmosphere exists. I think once you are in a committee partisanship seems to fall away.

Mr. Fisher: What a dreamer.

Mr. Horner (Acadia): You hear evidence from various witnesses who support proposed amendments, for example, or are opposed to proposed amendments. The question is simplified and ironed out much more quickly in the agriculture committee than is the case in committee of the whole house. I feel somewhat regretful that the government voted against—

Mr. Macaluso: Speak for yourself.

The Deputy Chairman: Order. I am sure the hon. member for Acadia would not want to make reference to a vote which has already been taken in the house. I could refer him to standing order 35 at pages 22 and 23 of the standing orders, which states that it is not the practice in the house to comment on an issue which has been decided in the house.

Mr. Horner (Acadia): I am sorry, Mr. Chairman, if I ran contrary to the rules. I had no intention of doing so but I did want to point out that in the agriculture committee various witnesses are called to present briefs relating to a given subject, amendments are put forward and substantiated by many interested parties attending the committee, and in this way a lot of the partisanship evident in the house, particularly of the kind apparent when the minister spoke last evening, disappears in the proceedings and the committee can get down to business in a much friendlier atmosphere, and proceed along legislative lines which will bring about the most beneficial results for the country as a whole.

It is evident from some of the remarks which have been made that some hon. members are concerned about this legislation. Even the title "Farm Machinery Syndicates Credit Act" is frowned upon by many farmers because they do not like the word "syndicates". Farmers value their independence

and frown upon syndicated farming. They also frown upon non-resident farming. They have always valued the social relationship which exists where adjacent land is occupied by families similar to their own, which brings about a much friendlier atmosphere, one might say, to rural living. Therefore one must gather from this debate as it has progressed that many members are concerned about this legislation.

How it was devised I am not too sure; nor am I sure why it was brought in. The government have not allowed it to go to committee where briefs could be put forward by interested concerns. I think the industrial development bank could lend a great deal of advice and throw much light on this subject of lending money to farm corporations, which is what a syndicate is, in a sense. A syndicate is a corporation to some degree or other. The industrial development bank has been making loans for agricultural purposes for the last four years. In the last year they lent something like $4.8 million and made available 175 loans to corporations and groups of people who were interested in getting into the agricultural industry. True it is that some of these loans could well be made by marketing institutions rather than farming and productive institutions in the agricultural field.

I said in my earlier speech on the principle of the bill that as an active farmer I am now engaged in some five different machinery—I do not like the word "syndicates"; there is nothing formal or written down, but let me say five different machinery agreements. These agreements are not even all with the same neighbours, surprising as that may seem. But they are all machines which, apart from the snowplow, may be used at any time in the farm cycle. They are small machines which can be purchased outside of a syndicate. Some of them might well be purchased as a result of a farm improvement loan by one farmer, and other farmers have made contributions.

There are many aspects to this bill which, if we were able to meet them in the committee stage in as agreeable a form as possible and in as non-partisan a manner as possible, we might be able to improve, and even remove the word "syndicate" from the title of the bill, because I personally think it will be frowned on, by small farmers particularly. As I look at the bill from clause to clause I think it is only fair to say that perhaps some of the doubts I have I should put before the minister now, so that when we get into the various clauses themselves the minister will be able to deal with them quite fully. For example, what does the word "farming" mean? Clause 2 defines farming as including livestock raising, dairying, fruit growing and all tillage of the soil. Then again I observe that this act will be administered by the Farm Credit Corporation. The Farm Credit Corporation make no loans during the wintertime; they only lend money when the soil can be tilled. This bill is going to make loans to a syndicate of farmers, and farming includes any method which tills the soil. Are we to gather from that analysis that loans will only be made under this act during the frost-free periods in this country? That is one of the first questions that I ask from looking over this bill.

Farming also includes livestock raising, and I should like to know how comprehensive is that term. Does it include the raising of horses?

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

Mr. Horner (Acadia): Yes; I have quite a bit of time now.

Mr. Cashin: My question is this. In view of the fact that the hon. member has received the maximum P.F.A.A. payment each and every one of the last five years, does he really feel so qualified to pontificate on these complicated matters facing Canadian farmers? Also in view of the advantages of that legislation, does he really feel justified in opposing this legislation?

Mr. Horner (Acadia): Mr. Chairman, I think if the hon. member looks a little further he could go back beyond five years, although I do not know what happened during the six years he was talking about. I think this fortifies my qualifications for speaking to the bill this afternoon. If I was able to collect such a payment as a bona fide farmer, it proves that I am qualified to speak as a farmer this afternoon.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Would the hon. member permit another question? Speaking as a farmer I wonder whether he would agree that the Farm Credit Corporation has personnel which are more competent to assess the borrowing potential of an individual farmer than is the industrial development bank of which he talked a few moments ago?

Mr. Horner (Acadia): I would agree with that, yes. But then again I would say that perhaps a local bank manager might be more

qualified still to appraise a new industry or a new invention on behalf of, say, 20 different farmers. He might be better able than the Farm Credit Corporation to appraise the worthiness of making a loan. Therefore while the hon. member may be right when he says that the Farm Credit Corporation is a better institution for this purpose than the industrial development bank, it still may not be as good as the opinion of a bank manager making loans under the Farm Improvement Loans Act.

To get back to my trend of thinking with regard to the word "farming" and its definition in the bill, we see it includes livestock raising. Does that include the raising of horses? Some members on the other side say yes, it does. They know the answers.

One could perhaps go further and ask whether the raising of pleasure horses could be included in the definition of farming under this legislation. I refer to horses of the saddle or pleasure variety. Is the definition of farming wide enough to include the raising of race horses? Would race horses be considered as livestock under this legislation? If I or my constituents commenced to raise race horses could we apply for a loan under the provisions of this legislation?

One might also ask whether fur farming could be included within the definition of farming for the purposes of this legislation. Fur farming is considered to be farming, under the provisions of other legislative measures. Perhaps one might ask whether beekeeping could be considered farming for the purpose of this legislation. Perhaps bees could not be considered to be livestock, but the keeping of bees is considered to be farming for the purpose of certain legislative measures. One could go very far in projecting his thoughts along this line.

The Minister of Transport is an avid spokesman in support of the fishermen and I am sure that he would like to have fish farming included in this definition. Will these loans be available to fishermen? I am in a quandary as to exactly what kind of farming will be included within the category of farming as defined in this bill. We must remember that this legislation will be interpreted by the officials of the corporation, and a great deal of thought should be given to this question.

Last evening the minister pointed out that only individuals whose basic income is derived from farming will be eligible for membership in a syndicate for the purpose of obtaining a loan under the provisions of this legislation. If I am wrong in interpreting the minister's remarks in that regard I hope he will correct me before I proceed much further. The clause of the bill itself suggests that it is the majority of the syndicate whose principal occupation must be farming. However, last evening the minister said that all of the members of the syndicate must be farmers, and that the majority of them had to derive their basic income from farming. I hope I am interpreting his remarks correctly in that regard.

Those are some of the thoughts which entered my mind as I read this bill, and I think the time to raise these doubts is during the consideration of clause 1, when the minister and his officials are present to consider these questions, and perhaps provide answers when we deal with the bill clause by clause.

I am sure a number of members will have a great deal to say in respect of clause 3 which states that each member must undertake jointly and severally to sign a promissory note for the total amount of the loan. The thing about that provision which is of concern is that the loan is to be primarily secured by the promissory note, and second, by a mortgage on the machinery. I suggest that this is a departure from the principles contained in the farm improvement loans legislation, in respect of which the loan is secured primarily by a mortgage on the machine. Under that legislation, if a farmer defaults the bank can actually and physically seize his machinery, whether it be a combine or any other piece of equipment which is urgently needed. The farmer does not have to sign a promissory note under the provisions of the Farm Improvement Loans Act, yet, as stated by the minister last evening, under the provisions of this legislation loans will be secured by a promissory note signed by each member of the syndicate, and second, by an attachment on the equipment purchased. I suggest this is a vast departure from the principles contained in the Farm Improvement Loans Act. As a farmer and a legislator I do not like that provision and do not understand why it is necessary.

Is it the experience of the government in respect of loans to farmers that farmers are poor credit risks? Is that the experience of the Farm Credit Corporation? I do not think that is the case. Has that been the government's experience in respect of the Farm Improvement Loans Act? I suggest the facts indicate directly the opposite. Less than one tenth of 1 per cent has been lost by virtue

of loans made under the Farm Improvement Loans Act. I do not have comparable figures in respect of losses incurred by the Farm Credit Corporation. I do not know the number of foreclosures that have occurred as a result of default in respect of loans made by the Farm Credit Corporation, but I am sure that number is small.

Why is clause 3 necessary in its present form, making a promissory note the first security and a mortgage on the machinery the second security? I wonder who the financial wizard was who decided to include that provision in this bill. Who was the financial wizard who questioned farmers' credit to the extent he found it necessary to include this provision? Farmers' credit has been excellent over a period of years, particularly in respect of the purchase of farm machinery. That fact can easily be established.

Last year one of the local weekly newspapers reported that $228 million had been spent on new farm machinery in that year. The Farm Credit Corporation made loans available to the extent of $99 million. I suggest that every second piece of farm machinery purchased is purchased at least in part by money the farmers have received under the provisions of farm loan legislation, yet only one tenth of 1 per cent is lost in this regard. Why is this clause necessary? This legislation applies to a group of individuals who over a great number of years have established an excellent credit reputation, yet the Minister of Agriculture, the farmers' leader and spokesman in the government, suggests they are a bad risk. He indicates that belief by that provision of this bill, which says that each member of a syndicate taking advantage of the provisions of this proposed legislation must sign a promissory note to cover the total amount of the loan.

Perhaps we should consider clause 3 a little further. Supposing for example 20 farmers formed a syndicate and put up $1,000 each. Perhaps they would want $100,000 to purchase some farm machinery. They would then require $80,000. Let us assume for example they needed this money to set up a large feeding plant. It might be dirt moving equipment or anything else that might be envisioned under this legislation. Each farmer only has $1,000 invested in the purchase. There are 20 of them and they borrow $80,000 or $4,000 apiece. Why should each farmer have to sign a promissory note guaranteeing he will be responsible for the full $80,000? I cannot see it. Have the farmers been that bad a risk? Can the minister, our leader in farm matters and farm legislation, not trust us a little more? What small farmer is going to join with 19 others, put $1,000 into an enterprise and sign a promissory note for $80,000 when his whole farm and all his machinery, lock, stock and barrel, are not worth $80,000? Is he going to put his family into debt for years to come in this way? Is he going to enter into that kind of contract? I think not.

I am sure many members have many reservations with regard to clause 3 of the bill. Many members, particularly those who are farmers, are somewhat hurt that the minister would view our credit standing so poorly. We are somewhat hurt that the Liberal government would look on us as such a poor credit risk. I feel this deeply and I know other farm members feel likewise. Why should this be so? Is our past record with regard to machinery loans so poor that we have to be singled out for this heavy penalty? I do not want to dwell too long on that particular point. I know that when we come to this clause of the bill many members will be concerned about it and I may have something more to say about it at that time too.

Let us look at the interest rate. Clause 1 says that this legislation is to be known as the Farm Machinery Syndicates Credit Act. As I pointed out in an earlier speech, under the Farm Improvement Loans Act a partnership can borrow up to $15,000 at 5 per cent interest. The Farm Improvement Loans Act deals specifically with loans for the purchase of farm machinery. If we leave out the word "syndicates" this bill under clause 1 would be known as the farm machinery credit act.

There is one piece of legislation already on the statute books under which individuals or partnerships can borrow up to $15,000 at 5 per cent interest. This bill makes no suggestion as to the interest rate. It says that the interest shall be made up of the cost of borrowing plus a reserve against losses, plus a service charge of 1 per cent. I know that a great many people throughout the country feel the same way as the farmers do. One class of operator that farmers have looked down upon and despised to some extent is the non-resident farmer, people who live in cities or towns and live off the land by operating farms. Another thing we look down upon is service charges. There is a service charge added to too many things that people have to buy today.

When a person obtains a loan from a finance company and asks what the interest rate is he is assured it is a nominal charge. When he asks how they arrive at the total figure that must be repaid he is told that it includes a service charge. In this instance we as legislators are resorting to what I call a foul practice. Let us be bold and put the interest rate in the legislation for all to see, so that all will see what they are entering upon in obtaining the loan.

From time to time pieces of legislation have come before this house and the other place which, while they may not have been passed and placed upon the statute books of the land, have received wide acclaim. These pieces of legislation have sought to provide that in any sales contract the interest rate should be clearly stated. Why do we as legislators have to resort to saying that a service charge of 1 per cent shall be added to the loan? I would much prefer the minister to say that the interest rate will be the same as that charged by the industrial development bank or under the Farm Improvement Loans Act. If he really has the interests of the farmers at heart he will do this, and I know he will because he has told us he wants to lower the cost of farm machinery. If I or some other member propose an amendment to set forth an interest rate of 5 per cent in the legislation, which is the rate under the Farm Improvement Loans Act, I know the minister will not reject it and place a further burden upon the small farmers of Canada.

I see it is six o'clock, Mr. Chairman.

The Deputy Chairman: Order. I must also advise the hon. member that his time has expired.

Mr. Horner (Acadia): I will just have to make another speech.

The Deputy Chairman: It is my duty, pursuant to provisional standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows: the hon. member for Port Arthur (Mr. Fisher), social insurance, distribution of business card by Toronto insurance company; the hon. member for Grey-Bruce (Mr. Winkler), agriculture, turkeys, reimposition of quotas on imports from the United States.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Hamilton: Mr. Chairman, I do not intend to hold up the committee at any great length, but one of the things I think should be said at this time is that the viewpoint of the official opposition is that we will approve of anything that will help the farmer in the purchase of machinery and will keep his costs down.

At the very outset I must confess that I am no farmer, but I have learned one thing, that you can learn a lot by listening to farmers. For this reason I asked at the resolution stage if this matter might be put into a committee so that the viewpoint of farmers operating in the field could be brought to bear on the officials who could answer some of the technical questions.

Tonight I am going to repeat one of the proposals made this afternoon by the hon. member for Rosthern, as an example of the type of thing that intrigues me as a person who is interested in trying to provide policy that will meet the objectives in view. If I understand the hon. member for Rosthern correctly, he has posed the question as to why this new organization is attached to the Farm Credit Corporation, rather than using one of the vehicles already in operation.

At present we have two main credit agencies at the federal level. For long term mortgages we use the Farm Credit Corporation, and the primary purpose of it is to try and work with the farmers in planning together to give each individual farmer a unit of operation which is economically sound. If a farmer borrows money on this long term basis he hopes by so doing to build himself an economic unit that will make more money as a consequence of what he has borrowed. No one recognizes more than myself the tremendous contribution of new thinking on farm credit that the Farm Credit Corporation has offered to this country, and now we have a proposal that a new, supplementary agency be added to the corporation to handle these loans to groups of farmers.

The question that intrigues me is, why the Farm Credit Corporation? I am not an expert on these things but I would like the minister, who has the advice of experts, to answer that question. Why not the farm improvement loans operation? Let me recount some of the salient points.

First of all, the farm improvement loans operation is run and administered by the banks. They have demonstrated over a period of a good many years that they have been able to lend money, mostly on farm machinery, and for a loss rate so low that over 19 years all the federal taxpayer has had to pay is roughly one tenth of 1 per cent. This

is a remarkable lending experience. The losses have been so low on loans to individuals that by a simple guarantee of 10 per cent from the federal government to the banks, the banks have been able to lend farmers, over these past number of years, $1.5 billion, mostly for farm machinery.

When you lend money to farmers under the Farm Improvement Loans Act the federal government is not required to put up capital. If this particular lending arrangement for the syndicates were put under the Farm Improvement Loans Act the federal government would not be forced to increase its debt by a nominal $25 million, and this point should be considered. Second, under the method of operation of the Farm Credit Corporation, with the responsibility resting on them to see that each particular plan is a good one, a great deal of time will be consumed in getting these loans processed.

One of the great advantages of the Farm Improvement Loans Act is that these matters can be handled in a few hours, because the bankers know the credit rating of the farmers in their areas, and if the agreements and deals worked out are satisfactory under the act the loans go through very quickly. There is no criticism here of the Farm Credit Corporation because it, as an agency of the federal government, must use all the protective devices to protect the public money, and it is answerable to the House of Commons for any mistakes. The bankers are in the business of doing this all the time, and if there is any particular loss it is transmitted to the federal treasury which pays out, under the act, 10 per cent of the loss.

We have a much more complicated arrangement under this bill, and I say that the Farm Credit Corporation on a time factor would take longer. That is the second reason I ask why the government picked the Farm Credit Corporation for the purposes of this bill, when we already had in effect legislative enactments which required very limited administrative machinery to supervise this work with the banks? Why could the banks not move into this additional field of lending money to groups of farmers?

The third point I would like to raise is that to my knowledge the Farm Credit Corportation is heavily overworked. One of the reasons for its great success is that it has kept its staffs small and well trained. It has a type of staff that is able to work easily with the farmer, and now the minister proposes to take a heavily overworked staff and put this additional burden on it. The only explanation the minister can give is that he intends to enlarge the corporation's staff and build up a brand new agency to administer this particular type of loan. I would like his answer to this argument, which was implied in the remarks of the hon. member for Rosthern.

The farmer knows that if he goes to the banks, under the Farm Improvement Loans Act he can borrow up to $15,000 at an interest rate of 5 per cent. Under this bill he will probably have to pay an interest rate above 6 per cent. If you take the lending rates currently in effect for this type of loan, and add on the 1 per cent service charge and the other charges, you are going to have an interest rate that is above what is available to the farmer under the Farm Improvement Loans Act.

If you take the case of the 70 or 80 per cent of the farmers who are reasonably literate, they know they have available to them the Farm Improvement Loans Act under which individually they can borrow up to $15,000 at 5 per cent interest. Farmers are now faced with a new type of legislation. If three or four of them band together they can each borrow up to $15,000 with a maximum of $100,000 applicable to any group. For this they pay 6 per cent or 6½ per cent interest. What will they do? In connection with the type of legislation they are used to, usually the banker asks them how much cash they have in the deal. Let us say it is 25 per cent or 30 per cent. The banker then advances the balance at 5 per cent interest. Under this new scheme farmers have to pay a higher interest rate. What is to stop two or three of them getting together, each pledging his credit for the amount of the loan they need, and getting the money to buy this machinery at 5 per cent under the Farm Improvement Loans Act? Why should they switch over and go to a new agency to get the same amount of money on a down payment of 20 per cent at a higher interest rate? These are considerations which make us wonder whether there is not some truth in the proposals put forward by my hon. friend from Rosthern (Mr. Nasserden).

The test of the decisions which will be made by many farmers will no doubt be this question of interest rates. This will be the factor borne in mind when making a decision to form a syndicate and sign a promissory note for the total indebtedness of that syndicate, or else to use the arrangements now open to them under existing legislation. We

should like the minister to give us the answers to these questions if he can, because if his answers are sensible and logical we can at least be satisfied that we have done our duty as an opposition in raising these matters. I do not intend to deal, now, with this matter of a service charge and the feelings of all farmers with regard to it. I think the same argument applies in this regard. However, for the reasons I have stated, I should like to know what advice the minister has received from his experts. Members of the opposition are not being allowed access to the expert opinion which is at the minister's disposal, because we cannot get this measure before the standing committee. What arguments can the minister put forward against using the machinery of the Farm Improvement Loans Act for the purpose envisaged by this bill? If the real purpose of the measure is to encourage farmers to work together, using the same machinery so as to reduce the unit cost of operation, what would be the advantages of operating through a new organization with a new staff as opposed to using existing machinery at lower cost? These are pertinent questions and much will depend on the answers the minister is able to provide.

I do not mind telling the hon. gentleman that we have an amendment ready to put forward on clause 1. Whether we do so or not will depend on his reply. If the answers he gives us are reasonably satisfactory and show there is a real purpose in using a new organization, duplicating the work of one we already have, then I think we would be prepared to drop our amendment. I suggest therefore that in the interests of facilitating the passage of this legislation at the present stage we should be given answers to what I think were sincere and penetrating observations by my hon. friend from Rosthern.

Mr. Hays: In reply to the questions raised by the hon. member for Qu'Appelle and the hon. member for Rosthern I can tell the committee frankly that when we first devised the bill now before us we gave these matters a great deal of careful consideration.

It was my feeling first of all that we could handle these arrangements through the provisions of the Farm Improvement Loans Act. We discussed the matter with all the officials concerned in the various departments, and as I have indicated this was our original intention. Later, when we had taken a look at the facilities available in the Farm Credit Corporation, the majority of our people thought the method now suggested was the better way of handling this problem.

As hon. members know, the rate of interest under the Farm Improvement Loans Act is 5 per cent. Inasmuch as loans made under this measure will have a short term of seven years, our thinking is that the interest rate will not be more than 6 per cent. Loans made under the farm improvement loans legislation, including loans for livestock and machinery, amounted in the last fiscal year of which we have records to between $133 million and $135 million. We know that farmers borrowed from other sources $245 million at interest rates of between 10 per cent and 20 per cent. This was the basis for our reasoning in doubling the amount of money available for farm improvement loans. I may add that investigations carried out by people outside the department indicate that the amount borrowed by farmers from other sources was nearer $400 million than $245 million.

The reason we wish to place the administration of this measure under the Farm Credit Corporation is that we have there the supervisory staff to put together the formal agreements which will make it possible for groups of farmers to borrow the money they need. The money will be paid jointly to the dealers and to the syndicates. Under the Farm Improvement Loans Act I believe the borrowers have to put down 33 per cent. Under the present proposal they have to put down only 20 per cent. After listening to all the arguments—and no doubt the hon. member for Qu'Appelle has listened to many such arguments, too—I was finally convinced that the approach now recommended to the committee is the proper one. We came to the conclusion that if we were to put the administration of this scheme under the Farm Credit Corporation we would be able to serve the farmers better than would be the case if it were handled under the farm improvement loans provisions. That is the main reason for taking the course we now suggest should be followed.

I think the hon. member for Qu'Appelle asked some other questions. I believe he asked whether we intend to use the same staff. We propose to do so, but of course it will be necessary to add additional staff. If there are any other questions on this clause I would be glad to answer them.

Mr. Hamilton: I think we could bring down what the minister has just told us to one simple answer. The reason the hon. gentleman has decided to use the Farm Credit Corporation machinery is essentially because of

the value of the supervision—he contends that this makes it worth while for the farmer to pay the extra 1 per cent. After listening to all the reasons he has given I believe that is, essentially, the argument in favour of asking farmers to work with this new organization.

Mr. Hays: Yes.

Mr. Horner (Acadia): Before this clause carries I should like to say a few more words. Before dinner I expressed some concern with regard to the interest rate, with regard to the definition of the word "farmer" and with regard to the effect of a contingent liability upon a farmer's credit rating. Farmers, particularly small farmers, are and will be concerned about this clause.

I would like to say a few more words with regard to this piece of legislation before we get into the clause by clause discussion. This bill deals with farm machinery, and we must consider what will be included in this definition. I notice that the Department of National Revenue in certain rulings uses the general application in this regard—you might call it a rule of thumb—of determining whether any implement or machine a farmer uses has moving parts and—

The Chairman: I would ask the hon. member whether he is now on clause 1 or clause 2.

Mr. Horner (Acadia): I am dealing with clause 1 and the title of the bill, an act which may be cited as the Farm Machinery Syndicates Credit Act. If one is somewhat hesitant about using the word "syndicate", he might call it the farm machinery credit act. I think generally most small farmers particularly will view with some scepticism the word "syndicate" in this title, so I will in my remarks refer to it briefly as the farm machinery credit act. Enlarging upon that title in clause 1, Mr. Chairman, I would like to deal with the question of farm machinery and what types of machines it is envisaged will qualify for loans under the bill.

I was saying that the Department of National Revenue use as a rule of thumb this method of determining whether it is a farm machine; they say that an implement or a machine that has no moving parts is not a farm machine. This is the way in which the Department of National Revenue defines farm machinery. I wonder whether this is the definition that will be applied under clause 1, wherein it is said, "This act may be cited as the Farm Machinery Syndicates Credit Act", or the farm machinery credit act as I would prefer to call it. Do the provisions of this bill apply only to machines with moving parts that are used on farms? One might say that all farm machines have moving parts, but this is not necessarily so.

This has been a subject of continuing interest to me. If one stopped and thought about farm machines, he could list any number of machines used on farms that really have no moving parts. Let us consider a silo. The minister has said this bill will apply to a feeding plant, as I call it; in other words, a co-operative set-up amongst a group of farmers to feed out, to finish, a bunch of feeder steers. This would include, particularly in eastern Canada, a silo, perhaps a silo filling machine, perhaps a silo unloading machine—if that is the right term for the automatic silo feeders. But the silo itself is what I am concerned with. The silo itself has no moving parts. In a feeding plant such as I envisage, which might well qualify under this bill, a silo would represent the biggest cost. The filling machinery would be costly; the automatic feeding machinery from the silo would be costly; but the steel, glass-lined silo might be the most costly item in that plant. Would that qualify under this bill? No moving parts are permanently attached to such a silo. These are some of the fears that occur to me in connection with this legislation.

One could project that thinking further. What does "farm machinery" mean? Would it include milking parlours? With regard to milking parlours, the stalls are taxable; there is a duty of 22½ per cent on their entry into Canada because they have no moving parts. Would they qualify under this legislation? One could list a whole host of farm machines and farm implements in this connection. Let us go back to the feeding plant. I mentioned the silo and the automatic unloading equipment attached to a silo. Let us suppose we are setting up a feeding plant for hog feeding and that we are doing it by means of self feeders. A system of self feeders has no moving parts attached to it. The grain moves and the hogs eat it; they get fat, and they move—but the self feeders themselves have no moving attachments on them. They are subject to 22½ per cent duty on entering Canada under the rule of thumb the Department of National Revenue applies with regard to the definition of "farm machinery". I ask the minister and his officials, would they qualify under this legislation, this farm machinery credit act? One could go further

and deal with grain storage and the metal and steel bins that are built in such a fashion as to automatically empty into a feed mill. Let us suppose they are funnelled, with slots, with divisions. They are subject to 22½ per cent duty because they have no moving parts. Would they qualify as farm machinery?

One could go further in this regard. Let us consider barbed wire, a commodity that is very much used on farms in western Canada and, I would think, in eastern Canada. Let us suppose we are setting up a feeding plant and are feeding steers with a grass on grain operation in the summer, and straight grain in the winter. If we take this as an example, we are fencing a succulent pasture for these grass steers; we are fencing them with barbed wire. Would the cost of the barbed wire be included under the provisions of this legislation; would barbed wire fall under this farm machinery act? It is subject to 10 per cent duty on entering Canada, and it is subject to 11 per cent sales tax; there is a 21 per cent tax on barbed wire. It is a commodity used very extensively by all farmers in eastern and western Canada—in fact, all across Canada—and on the North American continent. Would barbed wire quality under the definition of "farm machinery"? Would it qualify under clause 1 of this bill?

Let us take another example. If one were in the milking industry and the dairy industry he would be concerned with the question of steel containers, such as steel milk pails, steel tanks and stainless steel tanks. All these items are subject to duty because they have no moving parts and do not fall within the rule of thumb applied by the Department of National Revenue. Therefore in many cases a duty of 22 per cent applies. The duty is 20 per cent on steel milk pails and 20 per cent on steel milk cans. Do these items qualify as farm machinery? Let us suppose we are starting a milk plant and are combining three or four dairy herds. We are going to do our milking together; we are setting up a bulk milking operation. Would this qualify as a farm machine? I refer to the purchase of bulk milk handling equipment, the stainless steel tanks, the stainless steel cans and milk pails in general. There is a duty of 22½ per cent on this machine. The Department of National Revenue do not consider it farm machinery, but does this bill?

I referred to silos at the commencement of my remarks, but one could project the silo contention a little further and look at buildings. When you set up a feeding plant you lay a concrete floor. Does that concrete in itself come within farm machinery under this bill? If you look at all the farm journals in the United States you will find that all the big cattle feeding plants, and many of the hog feeding plants have concrete floors. Laying a concrete floor 400 feet by 400 feet on which to feed two or three thousand head of cattle costs a lot of money, although it pays for itself in the long run. But would a concrete slab 400 feet by 400 feet fall under this definition of farm machinery? I hear some hon. members sighing, but these are some of the doubts I have in my mind. I know the minister is very experienced in cattle feeding and he knows that what I say is true. It pays for itself in the long run because your cattle are well up out of the mud, can be easily cleaned, and so on.

One can also project this line of thought into farm buildings. Once you have built a concrete floor, are the steel separations which are erected in a plant like this also included under this definition? There are no moving parts other than the gates. This may not qualify under the definition of the Department of National Revenue. One could also include the shed type of building. In a sense that is a farm building outside of a farm dwelling. Would that sort of building qualify as farm machinery. I think I have said enough in this regard to substantiate a strong argument for saying that farm buildings should be included within farm machinery.

The minister made a speech about how successful this sort of act was in Great Britain, but he failed to tell the house that over there farm syndicates receive grants from the government for buildings in which to house machinery. I think a strong argument could be presented to include them under this bill. If they are included I would ask the minister whether seven years to repay a loan for this purpose is long enough. The income tax authorities allow 5 per cent depreciation on farm buildings, which should last 20 years and in most cases do. I do not question that figure, but I do say that seven years is not long enough to repay a loan which has been applied to the purchase of farm machinery. The Farm Improvement Loans Act allows 10 years on certain types of machinery, so why are we so stingy? Is the farmers' credit so bad that they can only have seven years, so that they must rush and hurry and pay back the loan which has been used to buy long term investments? Let us add a rider and put the discretion with the Farm Credit Corporation. Let us say that for certain types of machinery the repay-

ment period is 15 years. If a machine wears out in seven years then let them chop off the period for such machinery at seven years. But if a machine which will last 15 to 20 years is purchased, then why the seven year limit? Some hon. members may laugh at this but perhaps they are not farmers and do not know what value a farmer places in his credit rating.

Now I want to turn to another subject. Let me refer to the ranching business and the acquisition of purebred cattle, with which I know the minister is closely associated. I realize he has just come back from France after holding talks with the Charolaise breeders in the hope of bringing over some Charolaise bulls. Supposing a group of purebred breeders, whether they be breeding Herefords, Angus, Shorthorns or what-have-you, want to go to Europe or to Great Britain to buy a purebred bull with the intention of owning it jointly, would that bull qualify as a piece of machinery under this bill? The minister smiles, giggles and jiggles, but he is in the game and knows that in many cases in Canada this sort of thing takes place today. Farmers in all parts are buying the best bulls for sale in Europe, Scotland, Great Britain or any other part of the world. These animals are brought to Canada and some of them are owned jointly by groups of breeders. Would such a purchase qualify for a loan under this act? This group or syndicate of farmers would be improving their assets which they already hold. Many hon. members smile at this question but I put that actual case to the minister for serious consideration.

We have passed the second reading of this bill and accepted the principle; let us now join together in all parts of the house and make the best of the bill. Let us make as many people as possible across Canada benefit from it. The minister knows that the joint ownership of bulls in the purebred business is common practice and is a good practice. I submit it is a practice which could qualify for a loan under this bill.

As I said in my opening remarks on the bill, it all depends on how wide or how liberal is the definition placed on the words "farm machinery". Many farmers in my constituency take the position that land is a piece of machinery which they must work in order to provide themselves with a fair standard of living. Many farmers in my constituency have formed syndicates for the purpose of purchasing leases. Why cannot individuals do just that under the provisions of this proposed legislation? Surely several farmers could join together and purchase leases on land for the purpose of pasturing cattle. Perhaps a syndicate would purchase several thousand acres, and do so by forming a syndicate and taking advantage of the provisions of this measure.

The minister stated in respect of this bill that the widest definition possible for "farm machinery" would be adopted. For the purposes of argument let us adopt that widest possible definition. Let us assume that within this definition farm buildings could be included. Let us assume that any piece of machinery used on a farm for any purpose could be included. Most of the type of equipment I have in mind is being purchased today by farmers to help them improve their standard of living and fight the economic cost-price squeeze. If it is beneficial to several farmers to form a syndicate in order to be eligible for loans under this proposed legislation, perhaps they could do so for the purpose of purchasing a great variety of things to be used on the farm. Perhaps a group of farmers would like to purchase some grazing land. I suggest we should provide legislation which would enable them to do so.

I have listened to the two speeches made by the minister—or three, counting the one he made today—and I have yet to hear him define "farm machinery". Are we being asked to pass this bill blindly? I hope when the minister deals with clause 9, which I think covers the subject I have in mind, he will outline what he envisages by the term "farm machinery". I am not asking him to give a definition in exact terms, but to outline generally what will be covered by this legislation. A host of things could be included within a wide definition of that term, many of which the Department of National Revenue does not consider to be items of farm machinery.

As an example perhaps I should refer to a portable livestock scale. The Department of National Revenue maintains that there is no movable part to a scale and therefore it is taxable. Once in a while the indicator tip on the scale moves up and down, so it is a movable part, but farmers must still pay 20 per cent duty on the cost of a portable scale imported into Canada. Farmers must pay 22 per cent duty on the importation of lifts used in the growing of potatoes, as well as in the operation of an orchard. Where is the minister going to draw the line in respect of a definition of farm machinery for the purposes of this proposed legislation? What items will be regarded as farm machinery under this measure?

When dealing with a definition of this type, Mr. Chairman, one could also consider such things as antibiotics, and items of that kind used on farms. I do not intend to deal with this question in detail, but I should like to ask the minister to propose at least some general definition of "farm machinery", to be applied to the provisions of this bill.

Will electric livestock water heaters be considered to be farm machinery under the provisions of this measure? That is a very small item necessary to the raising of cattle, but will it be included? That item carries a 22 per cent duty when imported into Canada, and a farmer must also pay an 11 per cent sales tax. The department of revenue does not consider those items to be farm machinery because they have no movable parts, and they are subject to duty.

Under clause 1 of this proposed bill will electric fences be considered to be farm machinery? Electric fences are necessary in a grain or grass feeding plant, particularly in the dairy industry, as well as the beef raising industry, where a feed rotating procedure is followed in order to put the cows and steers on fresh grass. Electric fences are often used in this way. The department of revenue says there are no moving parts to an electric fence, therefore they are not farm machinery. I suggest that none of the officials of the department have touched an electric fence that was in operation, or else they would know that something is moving. A 22½ per cent duty is levied against these items on importation. They are also subject to the 11 per cent sales tax.

The minister has suggested that I have not referred to anything which would reduce the cost of farm machinery to the farmer, but I suggest that this could be accomplished by removing the duty applicable to the list of things to which I have referred in the last three minutes. By doing so I suggest he would reduce the cost of farm machinery.

Mr. Chairman, what does the minister mean by the term "farmer"? I suggest that that could cover a great many occupations. There are many things that could be done to alleviate the burden now borne by farmers during this period of cost-price squeeze. I hope the minister will give us some idea about what he thinks this legislation will accomplish in the way of alleviating this burden. It is about time the minister did let us in on his feelings, and I think he should do so during our consideration of clause 1 of this bill which, if I had my choice, would be entitled, "farm machinery credit act", leaving out the word "syndicate". I have left out the word "syndicate" because I am sure it will be distasteful to farmers. This act is in effect a farm machinery credit act. The minister has yet to present to this committee his view of what this measure will encompass. The parliamentary secretary has said that as far as he is concerned the interpretation of this act and its terms should be left to the officials of the corporation. I say that is not good enough because we as members of parliament would like an opportunity to examine and question the interpretations of these provisions.

Mr. Chairman, I wholeheartedly supported the suggestion that this measure be referred to the committee on agriculture and colonization because that committee I feel could have dealt fully with the provisions and interpretations of its clauses. That committee could have called experts from farm unions, who I am sure would have come willingly and presented briefs, and then examined that evidence and come to a reasonable conclusion in respect of the interpretation of the bill's provisions. I am sure witnesses of the Canadian Federation of Agriculture would have been pleased to attend the meetings of that committee in respect of this bill. Many organizations which are concerned with the welfare of farmers generally I am sure have taken a very great interest in this proposal. Representatives of those organizations might well have provided a broader explanation of the terms of this proposed measure.

Thank you, Mr. Chairman.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Horner (Acadia): Mr. Chairman, I gladly rise to speak in respect of clause 2 of this bill, although I have no intention of delaying the passage of this bill. I feel we must give this legislative measure the fullest consideration possible, as responsible members of parliament. I am disappointed that the minister did not give us an explanation of how he interprets the term "farm machinery" during our consideration of clause 1.

Earlier this afternoon I asked several questions which could be related to clause 2, and I wonder whether the minister is now prepared to answer them. What does the word "farm" mean? My understanding is that included in farming is the raising of livestock, dairying, fruit growing and the tillage of soil. Let us concentrate for a moment on the term "livestock raising". I ask the minister point

blank: Does this include the raising of horses?

Mr. Hays: Do you want me to answer now?

Mr. Horner (Acadia): Yes, I should like you to answer right now.

Mr. Hays: In clause 2 we use the same definition in so far as farming is concerned as was used in the Farm Credit Act. It seemed to be best that we use that definition because it has been successful and there have been no amendments or changes. Therefore "farming" is defined in the same way as in the Farm Credit Act.

Mr. Horner (Acadia): That does not quite answer my question.

Mr. Horner (Jasper-Edson): What about defining farm machinery?

Mr. Horner (Acadia): The clause says that farming includes livestock raising. I put my point blank question again. Does that include the raising of horses?

Mr. Hays: "Livestock" is defined in the regulations and I think that horses are included, although I am not sure. It is exactly the same as in the Farm Credit Act. I can find out if you wish.

Mr. Horner (Acadia): I understand the minister has officials of the Farm Credit Corporation before him. Perhaps they can help him out. I can think of many small farmers who are in the business of raising horses for pleasure. The minister will understand that term. It is the raising of horses for sale to people who want them for pleasure and other reasons. This is a big business in Canada today, particularly in Alberta, and as the minister comes from that great city of Calgary in the heart of Alberta I know he is very familiar with the situation. Perhaps he can give me a little better answer, having in mind particularly the part that horses have played in farming in years gone by. I am sure they would be included but I want a little confirmation.

Mr. Horner (Jasper-Edson): Are they a farm machine?

Mr. Nasserden: Mr. Chairman—

Mr. Hays: Race horses would not be covered but otherwise I think horses would be covered in that what we have in mind is horses used for tillage of the soil. I think that is the way it is under the Farm Credit Act. The hon. member also asked about machinery—

Mr. Horner (Acadia): I am asking about pleasure horses.

Mr. Hays: I would not suppose it would cover horses for pleasure, no.

Mr. Horner (Acadia): So raising pleasure horses is not farming? What is it?

Mr. Hays: I do not think they would be included, not unless they were used to hoe the garden or something like that—

Mr. Horner (Acadia): I do not want to pursue the question—

Mr. Hays: —or tillage of the soil or on a hay rake, and so on.

Mr. Horner (Acadia): I raise a few saddle horses and I do not use them to till the garden or on the hay rake. I use them to round up my cows. Would you call them working horses or pleasure horses?

Mr. Moreau: Will the hon. member permit a question? Will he tell the house what machinery he is going to need to raise these horses?

Mr. Horner (Acadia): I have asked a question that I hope the minister will answer.

Mr. Hays: Those horses would be included if you used them as work horses.

Mr. Horner (Acadia): But if I made it my sole occupation, and I know men who do and I know the minister knows men who do—

An hon. Member: E. P. Taylor.

Mr. Horner (Acadia): I am not talking about E. P. Taylor. I am talking about a lot of people who love good stock horses. The minister knows exactly what I mean. There are many people right in the vicinity of Calgary who raise stock horses. By that I mean working horses. Is this considered farming under this legislation, or is it not? That is my point briefly and succinctly. I want an answer or I am going to continue to speak.

Mr. Hays: If you are tilling the soil you are farming.

Mr. Horner (Acadia): Oh, guff. There are many ranchers who never touch a plow.

Some hon. Members: Louder.

An hon. Member: Go and get your horse.

Mr. Horner (Acadia): Liberal backbenchers are laughing and making jokes about a serious matter. They must all be Irishmen because they have a degree of wit.

Mr. Moreau: Will the hon. member answer my question? It was a serious question.

Mr. Horner (Acadia): I am sorry; I am busy.

Mr. Moreau: What machinery does he envisage would be required to raise a couple of saddle horses?

Mr. Danforth: Did you ever feed a horse?

Mr. Moreau: Plenty.

Mr. Danforth: Then you know the answer.

Mr. Horner (Acadia): It is a serious question. I would not be a bit surprised if there are many persons living in the minister's constituency who are engaged in the business of raising pleasure horses and stock horses. I am lumping them together because many a good pleasure horse does not make a good stock horse. You do not know until you break the horse what he is good for. I am lumping the two of them together. You people over there talk about our holding up the debate. The former member for Assiniboia held up the passage of the Farm Credit Act for two days on the question of horses alone.

An hon. Member: He was defeated on that.

Mr. Horner (Acadia): Let us not get carried away. I am just asking for a simple definition of livestock, as used in clause 2. It has always been my belief that horses fall under the definition of livestock. I am specifying the types of horses in which I am interested, stock horses and pleasure horses. Many people right in the minister's constituency are engaged in the raising of both. There are not too many in my constituency but certainly there are in the foothills of Alberta and throughout the whole province. The pleasure horse has become big business in Alberta.

Some members may say: What machinery is required to raise pleasure horses? First of all you have to have brood mares and you have to have a stallion. You have to have hay and grain and a barn. You have to have pens. You have to have a show ring and many other things. I am not asking for a lengthy detailed explanation. The minister is a well known westerner, a former mayor of the city of Calgary and I ask him: What is Calgary noted for? Where was he when Calgary grew up and established the name it has all across Canada? All I am asking him to do is to stand up and say that certainly a working horse on a ranch does not have to till the soil.

That is all I am asking him to say. All I am asking him to say is that a person who raises ranch working horses can also raise pleasure horses. I am saying that these are livestock. Is the minister prepared to answer?

Mr. Hamilton: Mr. Chairman, the hon. member for Acadia has raised a very serious point. To make it easier for the minister I should like to suggest to him that under this definition of farming I think the committee would be very glad to include livestock in its broadest generic sense. If a person is raising rabbits and is making money out of raising rabbits and needs machinery, he should be eligible for a loan under this legislation. I would suggest that any use of the land for any type of livestock out of which money is made should be included in the definition.

I think I can help the minister out by suggesting that if he stood in his place and said he would be glad to recommend to his officials that the wording "livestock" be broadened out to include any form of livestock used by a farmer for the purposes of profit, then I think the hon. member for Acadia would be satisfied, and so would any farmer who raises rabbits—if he wants to raise rabbits—

Mr. Moreau: White mice.

Mr. Hamilton: And white mice, if he can sell them.

Mr. Roxburgh: And cats.

Mr. Hamilton: Any of these would be legitimate livestock, and I think the officials would be very happy to say they would be glad to consider such a recommendation from the minister. In that way we would all be happy.

Mr. Hays: I shall be very pleased to accommodate the hon. member for Acadia by making that recommendation.

Mr. Horner (Acadia): Can I take it, before this clause passes, that livestock will be understood in its widest generic sense?

Mr. Hays: The hon. member for Qu'Appelle said he thought this matter could probably be covered by my making a recommendation to our officials that all livestock be included, and I would be glad to do that.

Mr. Nasserden: Is beekeeping equipment and apiary equipment to be included in this definition of farm machinery?

Mr. Hays: We have not included it in this bill because it seems it would be very difficult to use this sort of thing co-operatively. Beekeeping is not included.

Mr. Nasserden: Apiary equipment is used co-operatively in some places and lends itself very well to co-operative use. It would be a very serious omission if it were left out and I would like to see it included, particularly for northeastern Saskatchewan which produces some of the best honey in Canada.

Mr. Horner (Jasper-Edson): Does not the Farm Credit Corporation now consider beekeeping as an agricultural pursuit?

Mr. Hays: Yes, this is so.

[*Translation*]

Mr. Paul: Mr. Chairman, last night I vaguely and rapidly touched upon a matter which, in my humble opinion, is interesting and significant. I am happy to see my hon. friend, the Minister of Justice (Mr. Favreau), arrive in the house, because I think he might advise his colleague the Minister of Agriculture (Mr. Hays), on the legal scope of the bill now before us.

I would like to call the minister's attention to paragraph (c) of clause 2.

Could you give the Minister of Justice a copy of the bill to enable him to follow my remarks?

Under paragraph (c) of clause 2, we read this:

(c) "Farm machinery syndicate" means an association formed (i) by an agreement in writing, approved by the corporation, between not less than three individuals.

Under this bill a syndicate is to be created for the purchase of machinery, and the text of this legislation once more ignores the basic principles of the civil law of the province of Quebec, which, in clause 984 of the civil code, provides some essential terms to legalize any liability resulting from a deal between an association of at least three persons on the one hand, and the Farm Credit Corporation, on the other hand.

Under the definition given to us, there is no mention of the legal capacity of people who eventually might transact business with the corporation.

What is going to happen, Mr. Chairman, if three minors—let us say 20 year old boys, the sons of good farmers in one and the same district—appear before the Farm Credit Corporation, to sign an agreement among themselves, some sort of written document, setting them up as a company?

At this point the company will be in conflict with the terms of the civil code. And what will happen if, incidentally, those three minors who are to be recognized as being able to enter into a contract under the definition given in subsection (a) are in conflict with the Farm Credit Corporation?

Is the corporation going to prosecute minors who will be regarded as of age under the act? Or, if the act is passed without full compliance with the legal conditions required to transact in the province of Quebec, we will have a completely worthless contract under the law, one that is worthless *ab initio*.

On the other hand, Mr. Chairman, the federal legislator is going to allow such interference in the jurisdiction of the civil code.

It looks as if the government, on the pretence of co-operative federalism, are disregarding the very basis of the important principles granted the provinces under the British North America Act. As a matter of fact, civil law is under the exclusive jurisdiction of the provinces.

By virtue of what legislation, Mr. Chairman, are syndicates going to be established within the meaning of this bill? Is it under some provision of the revised statutes of the province of Quebec?

I would suggest that the Minister of Justice refresh his memory by taking a close look at chapters 117 to 123 of the revised statutes of the province of Quebec where certain basic conditions have been set down by the legislators.

We will find that for a farm corporation or an agricultural co-operative syndicate to have legal existence, and in no circumstances whatsoever are less than ten people recognized as constituting a legal partnership in the province of Quebec.

Now, our learned friends opposite will put aside this agricultural economy, which is recognized in our revised statutes of the province of Quebec, leaving aside the most imperative provisions of the civil code of this province.

I do not know the provisions of the civil code of the other provinces, but I speak as a lawyer from the province of Quebec. I ask the minister whether he submitted this text to the advisers of the Department of Justice when, without any right, in flagrant violation of the sacred right belonging to the provinces in the field of civil law, such a stand is being taken. By what right will the federal government now create agricultural corporations without respecting the required legal capacity of the contracting parties, so that there might be a legal act between on the one hand the farm corporation or syndicate, as provided by this legislation, and the Farm Credit Corporation?

I hope that the Minister of Agriculture, supported by his parliamentary assistant and learnedly enlightened by the Minister of Justice, as well as the other learned lawyers sitting on the other side, like for instance my good friend from Lotbinière (Mr. Choquette), the hon. member for Lafontaine (Mr. Lachance)—

Mr. Choquette: Do not forget the Minister of Justice.

Mr. Paul: And also the Minister of Justice. I still remember a brilliant contribution on his part concerning coloured legislation.

Well, I hope that tonight they will give us further proof of their legal knowledge in order to enlighten my poor intelligence—quite confused in this matter—because I feel that this is another shocking intrusion of the federal authority in the field of the civil law of the province of Quebec.

I am waiting for your comments, Mr. Minister.

Mr. Choquette: Mr. Chairman, may I answer at this time on the part of the Minister of Justice, because the speech of my hon. friend does not deserve the answer of a minister as distinguished and competent as the Minister of Justice. It rather requires a humble member like me to refute in a few words all the objections raised by my hon. friend, objections which do not surprise me since they come from a lawyer who has been practising law for so long.

The first objection of the hon. member for Berthier-Maskinongé-Delanaudière is very easy to refute. He worries considerably for the minors. Now, the question of the minors is quickly decided. One has only to read clause 3 of this bill to see that the corporation may grant—it is not obliged to do so—a loan.

Let us suppose that three minors call on the Farm Credit Corporation. Knowing that under the civil code of the province of Quebec minors enjoy some special protection, the Farm Credit Corporation will of course, take all possible precautions in its transactions with these minors to ensure all the necessary protection.

Consequently, I do not see where the problem is. This is a totally useless objection since the Farm Credit Corporation is not required to allow the loan; however, it should grant it to responsible persons of age having the necessary maturity to meet their obligations.

As concerns the second objection raised by my hon. friend, this is not a real objection—

[Mr. Paul.]

Mr. Martineau: Would the hon. member allow me to ask him a question?

Mr. Choquette: Certainly.

Mr. Martineau: I would like to know if, in his opinion, it would not have been preferable to rewrite clause 2(c), substituting for the words "three individuals" the words "three persons with legal capacity"?

Mr. Choquette: I should let the Minister of Agriculture answer this suggestion. This does not mean—

An hon. Member: The question was put to you.

Mr. Choquette: If you want me to answer, let me finish. The point made by the hon. member is certainly very interesting. I will not dwell on details, Mr. Chairman, only I do not prize the useless objections raised by the hon. member for Berthier-Maskinongé-Delanaudière.

Second, the hon. member says: Does it not take ten persons to form a syndicate? And he goes on: We are not dealing with a professional syndicate as defined by the labour legislation of the province of Quebec but with a corporation wishing to borrow money; the English word is more precise: We are dealing with a "partnership".

Consequently, whenever a partnership applies to the Farm Credit Corporation to make the required loan, it can do so and I fail to see how the provincial jurisdiction is thus transgressed.

All the member has to do is to refer to the civil code; he may have not read it for some time but as for me, the recollection of it is still fresh in my mind as I was out of the university more recently than he was. Should the hon. member for Berthier-Maskinongé-Delanaudière obligingly read section 1830 and the following ones, he will realize that this bill does not transgress in any way the provision of the Quebec civil code and does not represent in any way an infringement upon the provincial jurisdiction. We are dealing with corporations which are to be created and are going to borrow money while respecting at the same time the jurisdictions concerned.

In other words, the objections raised by my hon. friend are not objections, they are useless and dilatory as are all objections or obstructions from the Conservative party.

[*Text*]

The Chairman: I believe the hon. member for Berthier-Maskinongé-Delanaudière has some further remarks to make on the same subject and it might be wise to hear him out.

[*Translation*]

Mr. Paul: Once again, Mr. Chairman, we find that legal knowledge is not learned by osmose. If the hon. member for Lotbinière has the great privilege of having a father who sits at the appeal court, I think that he himself could be a practising lawyer and then, he would not have dared put forward observations as weak as those he just offered.

First of all he said that clause 3 answers the arguments I raised because the Farm Credit Corporation may or may not grant a loan.

What would happen if the under age person declared he was of age? What would happen to the contracts entered into? What would happen, for instance, to the great many loans obtained by under age persons?

My learned friend refers to the partnership. So, according to him, because the English version refers to partnership, the provisions of the civil code are set aside. My learned friend refers himself to the civil code, to sections 1830 and the following, dealing with the corporation.

Therefore, I am quite justified to say that the federal legislator is asked to legislate in a field where civil law is involved. An attempt is made to bring forward a legislation without taking all necessary measures to prevent so-called legal acts which are useless in any case because of the legal incapacity of certain contracting parties. In addition, I shall point out—

Mr. Choquette: Would the hon. member allow a question?

Mr. Paul: Surely, if it is an intelligent one.

Mr. Choquette: Does the hon. member know the principle of civil law, stated in article 1005, which says that:

> A minor who is a...trader..., is not relievable for cause of lesion for contracts made for the purposes of his business—

If the occasion arises, would the minor not be a trader, and in that case, do you not know the principle of the civil code which says the "the minor who is a trader, is considered of full age for the activities related to his business"? It seems to me that you should know that; it is as clear as crystal.

Mr. Paul: It seems to me that in the remarks I made yesterday—would the hon. member for Lotbinière kindly listen to me if he wants an answer to his question? Yesterday, I did mention that this legislation is intended to destroy the small farm, the small farmer's land. This is so true that the hon. member for Lotbinière now mistakes the merchant for a farmer. Now, the farmer will become a merchant.

He refers us to section 1005 of the civil code. I wonder where we are going. A while ago when I referred to certain provisions of the revised statutes of the province of Quebec, chapters 118 to 123, I simply pointed out to the Minister of Justice that there are certain legal provisions in the province of Quebec to permit the creation of an agricultural syndicate.

I respectfully submit that the federal government now wants to set up an agricultural syndicate, putting aside the economy of the administrative law of the province of Quebec in that regard.

To merely say that the Farm Credit Corporation may or may not transact with persons on the ground that they are under age would protect the corporation from the danger of such transactions. And I respectfully submit that the Minister of Agriculture (Mr. Hays) should insert a paragraph in order to clarify this clause, as my hon. friend from Pontiac-Témiscamingue (Mr. Martineau) was pointing out when he specified that the persons called upon under this act to transact with the Farm Credit Corporation should have the legal capacity to do so, as is stipulated in the various civil laws of the ten provinces of Canada.

The only purpose of my remarks is to protect the federal funds in preventing corporations from losing money through loans granted to minors who have no capacity to contract, and to see to it that the civil law, which is of exclusive provincial jurisdiction, is complied with.

Mr. Favreau: Mr. Chairman, I think that the hon. member for Lotbinière (Mr. Choquette) and the hon. member for Berthier-Maskinongé-Delanaudière (Mr. Paul), even if they do not talk exactly the same language, both agree that the bill, as it stands at present, must respect the civil law in the province of Quebec and, in the other provinces, the common law, that is, the law which governs the parties in civil matters.

After listening to the statements made by both hon. members, I agree with them, and in order to reassure them, I can tell them sincerely that no illegality will ensue from the application of the act. On the other hand, may I be allowed to give some details which will be my modest contribution.

I must first point out that the purpose of this bill is not the creation of an agricultural syndicate or an agricultural co-operative

within the meaning of provincial laws, for instance, in Saskatchewan and even less in Quebec. For the purpose of this bill, the word "syndicate" is used only to designate the groups which jointly and severally will contract a loan and undertake a pledge. Once more, I say that no provision of this bill tends to the creation of agricultural syndicates according to the technical meaning of those words. It is only the word that will designate the group of borrowers.

Mr. Grégoire: Will it be possible for those agricultural syndicates to form into syndicates within the meaning of the act?

Mr. Favreau: It is merely and solely a group. If more than three persons join together for the purpose of this act, we will call that a syndicate.

Mr. Grégoire: If those three persons wish to form a corporation, are they entitled to do so? Under the Companies Act, can they incorporate for the purpose of forming a syndicate for the purchase of farm machinery?

Mr. Favreau: In my opinion they could not take advantage of the provisions of this bill should they incorporate into a syndicate under the Companies Act, because its purpose is to protect the small farmer so that he may benefit from the prerogatives and advantages granted corporations or large groups, and that is the reason why they are allowed to pool their borrowing capacities and take advantage of the provisions of this bill without any infringement of the civil law.

[*Text*]

Mr. Peters: Mr. Chairman, may I ask the minister a question? Does that mean the only legality of the syndicate will be under the terms of this act?

Mr. Favreau: No, Mr. Chairman.

Mr. Peters: Will they only be establishing the legal identity of a syndicate under this act, and in no other way?

Mr. Favreau: The act itself, of course, does not prevent the freedom of any individual farmer to join a group or a syndicate or to become incorporated. I said for the purposes of this act they are merely called a syndicate, but they remain three or four individuals, a group, for the purposes of benefiting or profiting from the advantages of the act. There is no question here of interference with any provincial act, as I see it, such as the farmers co-operative legislation of Saskatchewan or la société agricole du Québec.

[Mr. Favreau.]

Mr. Peters: My second question is, would membership in an organization, a co-op or a company be a bar to application for a loan under this act as a syndicate?

Mr. Favreau: No, Mr. Chairman; but they must contract, or make the agreement, as individuals. The fact that they are members of a syndicate under clause 2 does not prevent them from so doing, but they must act individually.

[*Translation*]

Mr. Grégoire: And this is my last question: Does this mean that the incorporated syndicates will not be entitled to a loan under the present legislation, either as syndicates or as individuals?

Mr. Favreau: You are right, it is the object of this legislation to benefit the small man.

Mr. Grégoire: This would also mean that individuals would be unable to enjoy the privileges provided by the Companies Act to buy farm machinery under this legislation?

Mr. Favreau: Only as far as the legislation authorizes their incorporation. This is quite clear. For these people, the fact of benefiting individually or as a group under the present legislation does not stop them from availing themselves, for any other purpose, of the possibility to incorporate under some provincial act.

With regard to applying the civil code I can understand that the hon. member for Berthier-Maskinongé-Delanaudière is worried. If I had the slightest doubt with regard to the legal capacity, in Quebec or any other province, either under the civil code, or the common law, being affected by that statute, I would worry too, as does the hon. member for Berthier-Maskinongé-Delanaudière.

Mr. Martineau: Would the minister permit a question?

If he believed—

An hon. Member: Let him continue his remarks; wait until he finishes them.

Mr. Martineau: My question is quite relevant, and if the hon. member has some questions to ask, let him do so, but, as far as we are concerned, we shall exert our rights.

Therefore, my question is relevant and I would ask you, Mr. Chairman, to call to order this hon. member who seems to disregard the standing orders.

Mr. Grégoire: He is never here.

Mr. Martineau: I am asking the minister whether in his opinion, minors without any

legal capacity could obtain a loan under this legislation?

Mr. Favreau: I feel that the intervention of my colleague on this side of the house was quite justified, and that is why I presume that the hon. member for Pontiac-Témiscamingue (Mr. Martineau) grasped my intention. This is precisely the point I intend to develop.

I am satisfied, and I assume this responsibility as government adviser, that this bill affects in no way the contracting capacity of individuals to the extent where, in the province of Quebec, for instance, a minor is unable to enter into a contract, except, of course, as pointed out by the hon. member for Lotbinière (Mr. Choquette), when protected by the civil code in the absence of a burdensome contract and when a loan is granted in cases where only persons of full age may normally obtain a loan. This legislation presupposes the full application of the civil code of the province of Quebec, and the common law in other provinces. It seems clear that the legal capacity is not affected by this legislation. It provides, however, for standards which will guarantee to the crown the reimbursement of loans by stipulating in every case the joint responsibility of the commitment.

For my part I believe that nothing has been changed. Besides, it must be noted that in any legislation on farm credit, passed under any government, the administration thereof presupposes the capacity to contract, because under any act, if one borrows from a crown corporation, the loan will be controlled as concerns its validity, its legal competency, unless a statute is to the contrary—and here, the statute is not to the contrary, since normal laws concerning legal competency have been taken into account.

I do think that after this discussion the hon. member for Berthier-Maskinongé-Delanaudière will be satisfied that there is no exclusion from application of provincial legal standards, and this is inferred from the act itself.

Mr. Paul: Would the minister allow me a further question?

Mr. Favreau: Certainly.

Mr. Paul: If, in clause 2 (i), after the words "between not less than three individuals", the words "having the legal capacity of contracting" were added, would that not make the text more intelligible? This is not obstinacy on my part. My interpretation of the civil code or the common law may be too narrow or too literal. If we added "having the legal capacity to enter into an agreement", that would not quite clarify the situation, as the hon. member for Pontiac-Témiscamingue said so rightly a little earlier.

Mr. Favreau: Mr. Chairman, I respect the views of the hon. member and the reasons which lead him to make that suggestion but speaking personally as a civil law expert, I would much prefer not to include it because I think it is paying a greater tribute to civil law to presume that it applies rather than to have the federal government interfere by including a clear reference to the capacity.

Besides, if we had a reference to the capacity to enter into an agreement, that might be taken in some quarters as a federal responsibility for having mentioned it, and failure to mention the other provisions which protect minors and adults in some other sections of the code, might be thought to be excluded.

I am not saying they would be, but personally I feel much more at ease with a statute which fully supposes application of the Quebec code and the common law in the provinces of British tradition.

I think that under the circumstances we can agree on that.

Finally, there remains only to mention the reference to co-operatives found in clause 2, subsection 1, paragraph (c) subparagraph (i) (A). If you read the text closely, you will note here also, that there is no question of interference in the organization of existing co-operatives. It is only a matter of stating clearly that, even if they belong to a co-operative, that is a group of people engaged in collective farming, the said members will be able to take advantage of the act if they agree to do so individually.

In other words, as the first part of the subparagraph refers to a person who independently engages in farming and may take advantage of the act, there is reason to fear that this will exclude those who operate farms as a group, that is, in agricultural co-operatives. It is stated that this may not be an independent operation, but as long as the member of a co-operative agrees to commit himself individually with the other members of the group, we shall nevertheless allow the man who is not an independent farmer to take advantage of the act.

In my opinion, Mr. Chairman, it is just a matter of making the necessary distinctions, but I think this has been a useful discussion, since it has enabled us to clear up some points that were causing concern.

Mr. Martineau: May I ask the minister whether he thinks the words "and in accordance with the provincial statutes in such cases" could be added at the end of paragraph (c) of subparagraph (A)?

Mr. Favreau: With due respect for my excellent friend who has just made this suggestion, I must answer that here again there is no possibility of interference with the regulations of co-operatives as such.

It is only stated that the fact of belonging to a co-operative which has its regulations will not prevent a person from taking advantage of the act as an individual. The word "co-operative" is only used as a reference to those who engage in farming independently. That is the only reason.

Mr. Grégoire: Mr. Chairman, I should like to direct a question to the Minister of Justice. Clause 2 deals with the establishment of those farm machinery syndicates, but it does not provide for cases where it would be advisable to dissolve such a syndicate, even though only made up of individuals. If, for example, three individuals buy some rather expensive farm machinery and one of them dies six months later his legal heirs are responsible for the total debt made by the deceased, but his wife is unable to continue to operate the farm because the children are too young. Then, the legislation should provide for the dissolution of such a syndicate.

Does any provision deal with the dissolution of a syndicate?

In other circumstances it may happen that three farmers disagree and that they wish to dissolve their syndicate.

Does a clause of the regulations deal with this matter? I am asking the minister if he intends to include such provisions.

Mr. Favreau: Mr. Chairman, my attention has been drawn to clause 9 concerning the regulations to be passed and I am advised that pursuant to subparagraph (A) of clause 9, such cases will be provided for in the syndicate contracts so that, in case of death, the debt will be charged to the heirs who will not be compelled to pay immediately, the syndicate being, after all, reduced but not dissolved. This is provided for under the regulations.

Mr. Grégoire: Perhaps, but you say that the heirs will still have to pay. In spite of all the regulations you may set up they will have on their hands a debt equal to the full amount of all the machinery purchased if they do not intend to carry on.

In such a case there would be no regulation allowing an heir to withdraw from the syndicate.

Other things may happen. Let us say that such a syndicate is formed and that one of its three members is neglectful, misuses the machinery or causes damage at the expense of his partners, or let us suppose that, on the brink of bankruptcy, he removes some parts from the machinery. In such a case, the other two members would seek to break the partnership, but there is no provision in the legislation concerning the dissolution of a syndicate. Nothing is foreseen with respect to the responsibility of each member, if a syndicate is disbanded, nor concerning the equity each of them would be entitled to, considering that by then they would have an interest in the machinery.

Does the minister not feel that certain regulations should be established before the bill is passed in case the dissolution of a syndicate becomes unavoidable, necessary or advantageous for the farmers concerned?

Mr. Choquette: This is not a companies act.

Mr. Grégoire: The hon. member for Lotbinière says that this is not a companies act. It is so in the sense that all members of a syndicate are jointly and severally responsible for the whole company, so that if one member does not live up to his obligations, the other two are jointly and severally responsible.

If an individual dies, the heirs or the wife of the deceased, who do not want to continue the operation of a farm, are nevertheless still jointly and severally liable, under the will, unless they refuse to accept it. Or if one of the three individuals uses the machinery in the wrong way, the two others are still jointly and severally liable for the machinery as a whole. Nothing is provided to meet those conditions.

It is provided for the setting up of syndicates which are not real syndicates, since none of the three participants is protected. None is protected; the three of them are jointly and severally liable. If they want to withdraw from the company, they cannot do so either, unless they are still jointly and severally liable.

There is no regulation of the Canadian parliament, nor in any civil code of the various provinces, or in the common law

which provides that heirs are held responsible for unattested commitments of the deceased or the testator.

I would ask the Minister of Justice to provide at least for those cases, because I feel the poor farmer does not always think of all those legal subtleties of which he is unaware and which might raise serious problems for him. All he wants is to obtain money in order to purchase the machinery he needs. It is all very fine, but he will not think of all that.

As legislators, it is our duty to provide for the future.

I admit that if the minister truly wants to have this legislation passed—naturally the Farm Credit Corporation is subject to the civil code of the province of Quebec like anybody else—I understand it is not absolutely necessary to include a special provision in the bill, but if a company or partnership is to be set up, at least let there be an appropriate provision authorizing the parties concerned to dissolve their partnership, or company; in other words, let us make such a dissolution possible since there is no provision in this bill for such a contingency, except clause 9 which foresees the establishment of regulations concerning such a possibility. But this clause 9 will only constitute a way out for all the objections which can be made in this house. The minister might as well say that clause 9 will provide for a regulation stipulating that the corporation will not be allowed to make loans to those minors who are not protected by their tutor; again, he might say that clause 9 will provide for a regulation which will answer the objection raised a while ago by the hon. member for Pontiac-Témiscamingue (Mr. Martineau).

In all the bills submitted to the house, there is a clause corresponding to clause 9 in which internal regulations are dealt with. But we are now dealing with more than an internal regulation when, through a specific and explicit clause, the setting up of a so-called syndicate is provided for, which syndicate is compulsory and binding, and when the dissolution thereof is not even provided for.

I am asking the minister what he intends to do in such a case.

Mr. Favreau: Mr. Chairman, I think that the Minister of Agriculture will soon announce the projects of his department having regard to the provisions of the contract.

But I must simply say this: if we insist so much on keeping civil law in the province of Quebec and common law in other provinces, we must consider with composure the consequences of the administration of the legislation now under study.

In all cases where there is an agreement or a contract for the reimbursement of funds, the agreement or contract are entered into so as to protect the estate of the party to the contract, and this is quite normal. Then in case of death, the heirs are responsible for the indebtedness. There will always be a way for those who will decide not to go on with the farming business—and they might be the exception—to give up, as heirs, their share in the undertaking, and it is normal that the heirs who benefit from the legacy be still responsible for the debts, if any.

But what I feared a little earlier in this matter—and I thought the hon. member for Lapointe (Mr. Grégoire) was talking about that—was the possibility that a loss be incurred through the obligation to reimburse as soon as the death occurs. That eventuality does not arise. In a little while the minister will explain how he intends to protect those who will take advantage of the provisions of the act.

I say it again; the situation, except for a few improvements that regulations might bring, is exactly the same as in the case of three persons who commit themselves in their own interest, as well as in the interest of those who some day will be their heirs.

Mr. Grégoire: Mr. Chairman, on this I would like to take up the Minister of Justice and remind him that when three persons, in the normal course of business, make an agreement, form a syndicate, or incorporate, they are liable for the sums subscribed to the company, and that leaves out their personal possessions, which are inexistent in the present case.

At the present time there are people who will commit not only what they have invested in the syndicate that has been formed or in the company, they will even commit their personal belongings, their estate, in brief, what they will leave their children or their wife. This cannot be compared to the case of which the minister spoke, where three people formed a legally incorporated company. Moreover, the Minister of Justice is fully aware of the situation.

In the case we are considering there is no legally incorporated company. It is just an agreement.

I heard the minister state a moment ago that it is an agreement aimed at protecting the inheritance of those who enter into it.

That is true. But there is an existing convention and it is legal only between the government and three individuals, or four and even more if necessary, but while those three individuals have to pass jointly and severally a convention with the Farm Credit Corporation or with the loan company, between themselves, there is no convention and they have no protection between themselves or one against the other.

There is no section in this bill to protect the participants. The minister said a while ago that when a farmer dies, it is obvious that his heirs will keep paying. But if there are no young people in the family, or if the heirs are too young, and if the mother cannot go on operating the farm, then, the widow or the heirs can sell the farm and go to live in the city. However, they will still have to keep paying for the part of the machinery for which the father has assumed the responsibility, while the two other partners will profit from the estate. That mother, a widow, being no longer on the farm to take advantage of the machinery, will still have to pay under this bill.

I see the Minister of Justice discussing with the Minister of Agriculture. The latter must realize that there is a problem for which a solution must be found before we vote. I am not against the principle of this bill. I do not oppose the bill and I do not wish to talk it out. In proof of this, I voted this afternoon with the Liberals on the amendment.

For instance, I was thinking that while in committee, after having told the minister that we were supporting the bill, we could perhaps help him to improve it. I have always said that I was not a member of the opposition but a member of parliament and as such, I was ready to vote along with the government whenever a proposed measure was sound. This, I have shown in the past. Whenever there is room for improvement, I am willing to help.

I think there would be room for improvement there, for instance in providing for accidental cases. The Minister of Justice is well aware that the words "accidental cases" are to be found in the civil code, that is, fortuitous cases which arise unexpectedly and which alter the course of events.

Now in those fortuitous cases which may present themselves, as the bill does not in any way provide for the dissolution of such a syndicate, which exists neither legally nor in any other way, but only by the will of the Farm Credit Corporation—the minister might perhaps add a clause to provide for the possible dissolution of such a syndicate. There may be some rules or regulations which could be set up, under which the Farm Credit Corporation would be committed to find a third individual to replace the one who died, if his heirs wanted to withdraw from the agreement. This is my suggestion. The minister could provide that in a case of demise or in cases like those I mentioned just now, or again if one of these three individuals would squander or misuse in bad faith what belongs to the three of them, the Farm Credit Corporation could undertake to find a third person to replace the deceased or the other who had dilapidated what belonged to all three. Thus, the three individuals would be protected.

But I think that before the legislation is adopted, the minister should provide for the case of an illegally existing corporation or syndicate that would have to be dissolved; such an accidental case may be due to chance. I should like to have the advice of the minister on this matter.

[*Text*]

Mr. Hays: Mr. Chairman, I think the hon. member has posed a very good question. Perhaps I should outline first how this is handled under the British system, although we think there are ways of improving on this method. Under the British syndicate system when one of the members is deceased six months is allowed for the remaining members to buy out his share, or find a new partner. If that is not possible the syndicate is dissolved. I think clause 9 of their act covers this situation.

We realize that there must be quite a bit of flexibility in this regard. We feel the 20 per cent down payment should be set out. We must bear in mind that such a share is in fact an asset of the estate, and that if there were originally more than two partners it would be in the interests of those remaining to find a buyer. When we were debating this matter before the hon. member for Cariboo raised the point that possibly these loans should be covered by insurance. We are investigating this matter and it may be that provision can be made for coverage by insurance. If this is not possible, then the matter will be covered in the regulations. The farmer would pay 20 per cent down, the machine would be properly depreciated and his estate would have an asset. It seems to us that the estate would be able to sell the asset at its properly depreciated value and that there would be no loss.

The hon. member is assuming that there are only three people involved. There are quite likely to be more, so the interest of one farmer might be 25 per cent or 20 per cent or as low as 15 per cent. I have explained how the matter is handled in the regulations in Great Britain and we think we can set up machinery to handle it in a better way than the British do. I might also say that the British syndicates are not government syndicates. They were formed by the farmers themselves under the auspices of the farmers' union, and in the last few years the number of syndicates there has been doubling. They were able to hurdle all of these problems. So far as this point is concerned we think we can improve on the method of handling it in the regulations.

Mr. Baldwin: England has a unitary system. There is no division of powers there.

Mr. Olson: Mr. Chairman, several minutes ago I intended to ask for some clarification of what is meant by "an agreement in writing" in clause 2(c)(i). I should like some clarification of what the Farm Credit Corporation is going to accept as an agreement in writing. Perhaps I should read the clause to the minister so that what I am talking about will be completely clear.

(c) "farm machinery syndicate" means an association formed

(i) by an agreement in writing, approved by the corporation...

What I want to ask is, what kinds of agreements is the corporation going to approve? The Minister of Justice dealt with the matter partly when he said that any group of individual farmers who met the qualifications for being farmers under the act could in fact be recognized as a syndicate. However, in following his remarks I took him to mean, and I certainly hope I am wrong, that there would be no possibility of farmers organizing themselves either into co-operatives or into companies for the purpose of borrowing money from the corporation. It seems to me that this prohibits a very clear and tidy way of recognizing a legal entity so far as the government and the corporation are concerned.

To suggest that a co-operative as such, or a company formed by a number of farmers, cannot go to the corporation for a loan is severely limiting the function of the provisions of this legislation. In Alberta in the past few months, for example, the government there has made some progress in setting up what they call farm machinery pools or co-operatives. This legislation would be very useful in providing the credit that these co-operatives or machinery pools would need. But now we are told by the Minister of Justice that the individual members of these co-operatives or machinery pools already set up in a formal way and supported and assisted by the provincial government will have to proceed to form themselves into a syndicate or, in other words, set up another kind of entity for the purpose of obtaining credit under the provisions of this legislation.

It seems to me that the government is doing itself a disservice by ruling out the possibility of having the Farm Credit Corporation recognize farm machinery co-operatives as a legal entity to which they can extend credit. I was really disappointed when I heard the Minister of Justice make that statement because I think that the provisions of the bill for setting up these entities have been made flexible enough that it would not be mandatory for groups of farmers who want to avail themselves of the legislation to set up a co-operative or establish a corporation formally. Therefore the interpretation of "syndicate" is useful, but then to rule out the possibility of extending credit to these formal legal entities, if I may call them that, is, it seems to me, doing a disservice to the government and to the corporation which will be administering the legislation.

I do not believe an amendment is required to clause 2, subclause (c), to give effect to what I am suggesting because it clearly refers to an agreement in writing approved by the corporation. Therefore the corporation ought to have the right to approve the kind of formal agreement that is necessary for a number of individuals to form themselves into a co-operative. If we could have an indication from the Minister of Agriculture or from the Minister of Justice that they are going to accept as a proper agreement for the purposes of this legislation the very formal arrangements that are necessary to set up a co-operative or a corporation it would be a considerable improvement, because all of the other requirements are provided for in clause 2(c) (i) (A) and clause 2(c) (i) (B). Clause 2(c) (i) (A) uses the words "who are engaged in farming independently of one another" and clause 2(c) (i) (B) uses the words "the principal occupation of a majority of whom is farming". Therefore there are plenty of provisions to make sure that the membership of the co-operative or corporation is made up of bona fide farmers.

I really am disappointed, Mr. Chairman, and I hope that the Minister of Agriculture and the Minister of Justice will reconsider

their stand in ruling out making credit available to legal entities that have already been established.

May I call it ten o'clock?

Mr. Hays: Mr. Chairman, of course we would be pleased to consider all these things. The bill is set up for the purpose of lending money to individual farmers. Co-operatives can use the industrial development bank to obtain loans, but this legislation is designed so that farmers may form a partnership which will be known as a syndicate. It will be composed of three or more farmers and they will be able to purchase machinery as a group. We considered co-operatives and other groups but we felt that the bill should be designed along the lines of the British syndicates and should deal specifically with individual farmers. Any farmer who belongs to a co-operative or limited company can still participate individually under this legislation with other farmers. This was the way the bill was designed. We would hope that hon. members would let the bill operate on this basis, and after we have had a look at how it operates for a year there would be no reason why the legislation could not be sent then to the agriculture committee so that amendments might be made in the light of the experience gained in the operation of the legislation for a year.

Mr. Douglas: Between now and the time the minister brings this bill back to the committee of the whole house, would he not consider sending it to the agriculture committee, as there are a great many defects in it which I am sure have not been fully considered by the department? I think we will spend a great deal more time than is necessary trying to discuss it in committee of the whole, and if in the interim the minister considered sending it to the agriculture committee he could probably save himself and the house a great deal of time.

Mr. Hays: I am sure the hon. member for Burnaby-Coquitlam would like me to answer his question this evening. I was not a member of the house at the time the Farm Credit Corporation was formed. At that time my party was in opposition and thought that bill should go to a committee, but the then government did not feel so. The same thing happened with the farm stabilization act.

Mr. Horner (Acadia): It went to a committee.

Mr. Hays: The then government also felt the ARDA program should not go to a committee. All these very important pieces of legislation did not go to a committee.

Mr. Horner (Acadia): That is not so.

Mr. Hays: They did not go to a committee, and I feel if I had been a member at that time I certainly would have supported that feeling, because there are many things we can iron out. We have been working on this legislation for nearly nine months. We have looked carefully at similar bills in other countries and we feel we have taken the best from all of them and incorporated it in this legislation. We would like to see it operate for a year, and then we would be perfectly willing to send it to a committee. At this point to send it to a committee would mean we would be threshing old straw.

Mr. Horner (Acadia): Before you call it ten o'clock, Mr. Chairman, could the minister not persuade his colleagues to bring on this legislation again tomorrow, so that we can quickly finish with it?

Mr. Hamilton: I do not know what the mood of the committee is, Mr. Chairman, but I think we are in a good working mood now, and I wonder if it would be agreeable to hon. members to continue with this debate until 10.30?

[*Translation*]

Mr. Grégoire: Mr. Chairman, we would not object to sitting after ten o'clock. On the other hand, I wonder if the Liberals are willing to continue until ten thirty o'clock. For some time the hon. member for Lévis (Mr. Guay) has been saying that he is anxious to leave. If the Liberals, and particularly the member for Lévis are agreeable, we will be happy to remain. The member for Lévis says that this is boring, but as far as we are concerned we are willing to carry on with our duty.

Mr. Guay: Mr. Chairman, I do not wish to prolong the discussion. As usual, the member for Lapointe never gets things straight. I said that I was anxious to see this bill passed, and that this would be possible before ten o'clock if he would only cease talking.

Mr. Grégoire: The hon. member for Lévis knows very well what he was saying a while ago and he can surely repeat it without being embarrassed.

[*Text*]

The Deputy Chairman: Order.

Some hon. Members: Ten o'clock.

The Deputy Chairman: If the committee is going to get anything done I think we should confine our remarks to the item before the house.

Mr. Baldwin: Are we still on clause 2?

The Deputy Chairman: Yes.

Mr. Baldwin: Then I want to—

Mr. Fisher: Ten o'clock.

Mr. Howard: Mr. Chairman, how can you continue to proceed when it is obviously ten o'clock?

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if the business for tomorrow will remain as announced last night?

Mr. Favreau: Yes, Mr. Speaker. It was at the request of a great number of hon. members that I agreed to open up the estimates of my department tomorrow, so as to allow them to state their views on the matter of the consitutional amendment, otherwise referred to as repatriation of the constitution. I think it would be proper for them to be given a chance to do so, and for that reason there will be no change in the business as announced.

PROCEEDINGS ON ADJOURNMENT MOTION

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

SOCIAL INSURANCE—DISTRIBUTION OF BUSINESS CARDS BY TORONTO INSURANCE COMPANY

Mr. D. M. Fisher (Port Arthur): The question I put to the Minister of Labour involves none of the normal partisan antagonism associated with questions asked on the orders of the day. But I am concerned by the fact that throughout Ontario the company I mentioned, the Federal Life and Casualty Company of 191 Eglinton avenue east, Toronto, Ontario, is circulating a business reply card which says:

> Just fill in the particulars and drop in the nearest mail box for free information on the federal social security plan.

The main message, on the other side of the card, begins with a bit of "jingles". It says:

> Free information. Do not delay. Fill out and mail today. Important! If you have received your social insurance number you can qualify for the federal social security plan. Pays for food, pays for clothing, pays for shelter. When you are sick, when you are injured; even a guaranteed income to your family after death.

Mr. Knowles: Everything but your farm machinery.

Mr. Fisher: The real crux of this deception is the insertion of the words "If you have received your social insurance number". What relation there can be between the social insurance numbers which were touted so thoroughly by the Department of Labour and what appears to be a private plan is beyond me, but obviously an unwary person getting such a card as this is almost certain to assume that if he replies he will receive some information with regard to a federal security plan which exists. While, as we know, there is a social security framework made up of various statutes and various funds, there is no such thing, to my knowledge as an overall social security plan which covers anyone who has a social security number.

Mr. Douglas: Playing with the word "federal".

Mr. Fisher: Of course; they are playing with the word "federal". If it were "dominion" then I suppose we would feel better. But since our compatriots in the Liberal party moved us on to the federal wicket a few years ago we have assumed that anything described as a federal social security plan is something sponsored by the government.

This kind of deception, it seems to me, should be met as soon as it is pointed out. I think there may be grounds for a warning from the post office authorities and from the Department of Labour. It is my understanding that it is a criminal offence to send deceptive advertising through the mail. I think a special responsibility rests upon the Department of Labour, because the whole basis of the deception in this blurb is the use of the phrase "social insurance number". All I am asking from the department is an assurance that they will check into this at once and see whether something can be done to put an end to it. It is apparent that a great many people in Ontario could be deceived, and if this company is operating all over the country it is possible there will be much misunderstanding and a lot of work for members of parliament trying to straighten out people who discover that the "federal social security plan" will cost them a great deal more money than they believed.

Mr. James A. Byrne (Parliamentary Secretary to Minister of Labour): The hon. member for Port Arthur (Mr. Fisher) did not indicate earlier in the afternoon that this matter would be debated this evening. Therefore, it being almost six o'clock when I was informed that this question had been brought forward, there was very little time left for investigation. However, Mr. Speaker, I endeavoured to telephone the insurance company in Toronto in order to find out what the plan really is. I found they were not in the telephone book of last year, but they are listed this year. I was given a number at which to call the manager, and was informed at the house that they did not know anything about this person. I did ascertain that the Federal Life and Casualty Company is an old company, incorporated in 1906 in Battle Creek, Michigan. They have been operating in Canada since 1958.

There is no question that this is spurious advertising, when one examines the card. I have also been in touch with the superintendent of insurance, who informed me that up to the present time there have been no complaints in respect of this company. He would certainly like a copy of the card that is in the possession of the hon. member. If the hon. member would hand it to me I would be pleased to bring it immediately to the attention of the superintendent of insurance who would, I am sure, on examining the card advise the hon. member that this is not the proper type of advertising. They are taking particular advantage of their name "Federal insurance company" and are using our proposed federal social security measures in order to enhance their advertising capabilities. This matter will certainly be brought to the attention of the superintendent of insurance, and I thank the hon. member for bringing it to the attention of the Department of Labour.

AGRICULTURE—TURKEYS—REIMPOSITION OF QUOTAS ON IMPORTS FROM U.S.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, you will recall that earlier in the day I raised a question in regard to turkey producers. I placed my question before the minister in this way: "Realizing that the minister has had recent consultations with the Canadian turkey producers in regard to their request for an embargo or curtailment of imports, would the minister say what his advice was to these people at that time?" I went on to say that this has been a contentious question and is of course very important to the turkey producers across the country. I was also prompted to raise the question because it had been raised on September 22 this year, as is recorded at page 8332 of *Hansard,* by the hon. member for Humboldt-Melfort-Tisdale (Mr. Rapp), at which time there was no reply from the parliamentary secretary. I believe the minister would have answered the question today had Mr. Speaker allowed him to proceed. It may be the minister has not yet seen fit to meet these people, but I understand he did meet them.

It is my understanding that the importation of turkeys into Canada up to the end of August amounted to something in the neighbourhood of eight million pounds, whereas prior to this time, under the protection afforded by the previous administration I believe the total amount allowed into the country was four million pounds in one year. It is also my understanding that cold storage plants and the like are filled with turkeys and other fowl now, ready for the traditional Thanksgiving market, and the same situation will naturally prevail not too many months hence. It was also brought to my attention upon inquiry that the price of turkeys has dropped something like a cent and a half or two cents a pound since these imports have been allowed into Canada. This is a downward trend. I would imagine this would obviously result in a downward trend in other categories of fowl in this particular market for Canadian producers.

It seems to me I recall that about one year ago the chain stores had a method of using these particular birds as loss leaders, and the pressure of competition certainly made the purchase of such birds at this time of year very easy for the housewife. The producers are very concerned that the area covered by the embargo protection was lifted by the government, after it took many years prior to the change of government in 1957 to convince the government that such was necessary. But in 1957 the producers did succeed in this and we are now asking what advice the minister gave these people when he met them.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, the situation as far as turkeys are concerned is this. I attended the annual meeting of the producers in Winnipeg and spoke to the executive there, and we went into the situation very carefully. I believe the original quota was put on in 1958. Eviscerated turkeys were coming in from the United States at a time when we did not have the know-how as far as evisceration

was concerned. A quota was established of four million pounds. In addition to that there is now a duty of 5 cents a pound with 1½ cents a pound for the discounted dollar and 1 cent for freight. It is true that something over seven to eight million pounds of turkeys have been imported into Canada in the last few weeks, but this has dried up, as we hoped it would, as the turkey market in the United States firmed up.

These imports are tied in with a very wide policy of exports to the United States. At the same time as these imported turkeys came into Canada, 30,000 head of cattle were imported into Canada due to lower prices in the United States. They were able to move this way with all of their other meat products. There is about 20 to 25 per cent protection so far as turkeys are concerned and 5 to 6 per cent protection so far as other meat products are concerned.

It was the feeling of the government of Canada that with this protection the situation was still not serious enough to call for quotas because we had to consider the general agreement on tariffs and trade and make sure we committed no contravention as far as agriculture in Canada is concerned. In discussing this question with the turkey people, they informed me they would send me the resolutions passed at their annual meeting and would submit what they thought we should do about the situation. I have received only one communication so far, although I have written to them again and suggested that their requests should also be backed up by the farm unions and the Canadian Federation of Agriculture, with whom they could have a frank discussion in connection with meat imports into Canada. They have not yet indicated whether they will be able to do so; nevertheless they did suggest that if we were able to impose a tariff consistent with value for duty at 3½ cents a pound on live turkeys they would be able to live with the eviscerated turkeys which came into Canada.

That is the situation at the moment. I am still waiting to hear from them but I can assure the hon. member that the government will be pleased to consider any further suggestions they have to offer.

Motion agreed to and the house adjourned at 10.22 p.m.

HOUSE OF COMMONS

Wednesday, September 30, 1964

The house met at 2.30 p.m.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

CANADIAN CONSULATES, BORDEAUX AND MARSEILLES, FRANCE

Question No. 1,678—**Mr. Choquette:**

Does the government of Canada intend to open consulates at Bordeaux and Marseilles, France?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): Yes, the Canadian government has decided to open two consulates general in France, one in Bordeaux, in early December, and the other in Marseilles, next spring. Mr. Robert Choquette, at present associate commissioner of the centennial commission, will be consul general in Bordeaux and Mr. Eugène Bussière, associate director of the Canada council, will be consul general in Marseilles.

[*Text*]

VISIT BY INDIAN AGENCY SUPERINTENDENT TO ISKUT LAKE, B.C.

Question No. 1,713—**Mr. Howard:**

Since Mr. A. E. Fry has been superintendent of the Yukon indian agency, upon what specific dates has he visited the Iskut band at Iskut lake, B.C., and, for each of those visits (a) by what means did he arrive (b) how long did he stay, indicated by minutes, hours, days or weeks, as the case may be (c) did he meet with any native Indian people and, if so, who were they and for how long did the meeting or meetings last (d) did he meet with any people other than native Indians and, if so, who were they and how long did the meeting or meetings last (e) by what means did he leave?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Indian Superintendent Fry visited the Indian community of Iskut, B.C., on January 5, 1963, March 13 to 16, 1963, June 21, 1963, June 3, 1964, June 10 and 11, 1964 and June 17, 1964. There is no detailed record of the meetings with native Indian people and other persons and the following is the only information available:

January 5, 1963: (a) By air. (b) One hour. (c) Yes, with various Indian people. (d) Yes, Father Doetzel. (e) By air.

March 13 to 16, 1963: (a) by car. (b) Three days. (c) Yes, met with every Indian person, both individually and in groups. In addition visits were made to every tent in the camp. (d) Yes, Father Doetzel. (e) By car.

June 21, 1963: (a) By air. (b) Three hours. (c) Yes, Mr. Fry talked with several Indian persons and held a band council meeting. (d) Yes, Father Doetzel. (e) By car.

June 3, 1964: (a) By air. (b) Six hours. (c) Yes, Mr. Fry met a group comprising the majority of the village. He also met many Indian persons individually and attended a nomination meeting. (d) Yes, Father Doetzel. (e) By air.

June 10 and 11, 1964: (a) By air. (b) One day. (c) Yes, every Indian person in the village. (d) Yes, Father Doetzel, Mr. Tom Black and the Indian affairs branch carpenter. (e) By air.

June 17, 1964: (a) By air. (b) Three hours. (c) Yes, specifically to attend band council meeting. The Telegraph Creek band council accompanied Mr. Fry on this occasion. (d) No. (e) By air.

FILM PRODUCTIONS, FILM BOARD AND C.B.C.

Question No. 1,781—**Mr. Dinsdale:**

1. How many English language motion pictures, complete with sound track, of half hour or hour long length, were contracted out for production last year by the C.B.C. to (a) the national film board, and (b) private Canadian film production companies?

2. How many English language motion pictures, complete with sound track, of half hour and hour long length, were produced last year by the C.B.C. itself?

3. How many French language motion pictures, complete with sound track, of half hour or hour long length, were contracted out for production last year by the C.B.C. to (a) the national film board, and (b) private Canadian film production companies?

4. How many French language motion pictures, complete with sound track, of half hour and hour long length, were produced last year by the C.B.C. itself?

5. What are the C.B.C.'s plans for expansion or contraction of their film making operations, in particular, does the C.B.C. intend to follow the recommendations of the Glassco commission and place a much larger proportion of their motion picture productions with the national film board and with private Canadian film production companies?

Questions

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. (a) Half hour films, 28; one hour films, one. (b) Half hour films, 48; one hour films, 11.

2. Half hour films, 115; one hour films, nine.

3. (a) Half hour films, 40; one hour films, nil. (b) Half hour films, 169; one hour films, three.

4. Half hour films, 34; one hour films, nil.

5. At the present time the C.B.C. has no specific plans for significant changes in the size or production activity of its film-making operations, and the report and recommendations of the royal commission on government organization are still under study by the corporation.

FEDERAL PUBLIC WORKS, LAKE ST. JOHN CONSTITUENCY

Question No. 1,799—**Mr. Lessard (Lake St. John):**

What is the nature, the amount and the location of the works which the Department of Public Works intends to undertake during the year 1964-65 in the constituency of Lake St. John?

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works):

Location	Project	Amount
Alma	Post Office alterations	$15,000.
Alma	Fencing	915.
Delisle	Fencing and retaining wall	4,500.
Hebertville	Interior and exterior painting	500.
Lac Ste. Croix	Post Office building—subject to acquisition of suitable site	Not yet estimated.
Metabetchouan	Fencing	569.
Peribonca	Breakwater wharf	5,900.
St. Gédéon (Station)	Wharf improvements	3,000.
St. Gédéon	Post Office building—subject to acquisition of suitable site.	Not yet estimated.
Ste. Monique	Post Office building—subject to acquisition of suitable site	Not yet estimated.

[*Text*]

FEDERAL CIVIL SERVANTS, BRUCE COUNTY, ONT.

Question No. 1,855—**Mr. Loney:**

In the county of Bruce, what is the number of civil servants in the employ of the federal government?

Hon. Maurice Lamontagne (Secretary of State): 229.

VISIT OF ROYAL COMMISSION MEMBERS TO NORTHERN QUEBEC

Question No. 1,906—**Mr. Coates:**

1. What is the purpose of the visit of Mr. Scott and Mr. Gagnon, members of the royal commission on bilingualism and biculturalism to the eastern Arctic and northern Quebec?

2. What aspects of bilingualism and biculturalism are they investigating?

3. Has their enquiry any association with the attempt by Hon. René Lévesque of the government of the province of Quebec to secure jurisdiction over these Eskimos?

4. Are negotiations regarding the jurisdiction over the Eskimos of northern Quebec continuing between the government of Canada and the government of the province of Quebec?

[Mr. Dinsdale.]

Hon. Maurice Lamontagne (Secretary of State): 1. The visit was organized to familiarize the commission with the Eskimo population in keeping with that part of the commission's terms of reference which states " . . . taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada and the measures that should be taken to safeguard that contribution".

2. See answer to part 1.

3. No.

4. While there have been no recent negotiations between the Minister of Northern Affairs and National Resources or his officials and the government of Quebec concerning the Eskimos living in northern Quebec, it is anticipated that such negotiations will take place in the near future.

SUBMISSION OF CANADIAN FASTENERS INSTITUTE

Question No. 1,932—**Mr. Irvine:**

When does the government intend to announce a policy with regard to the submission of the Canadian fasteners institute of August 11, 1964?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The exemption from tax requested in this submission would require an amendment to the Excise Tax Act. If any changes in this act are considered advisable they will be announced to the house at the appropriate time.

POST OFFICE CONSTRUCTION, P.E.I.

Question No. 1,937—**Mr. Macquarrie:**

1. When was land acquired for the erection of a post office at North Rustico and Mount Stewart, Prince Edward Island?
2. When is it intended to commence construction of these buildings?
3. What are the proposed dimensions of said buildings?
4. Will office space for any other department of government of Canada be provided?
5. What is the completion date for these buildings?
6. What were the reasons for the delay in these building projects?

Hon. J. P. Deschatelets (Minister of Public Works): 1. Land has not yet been acquired, but is presently in the process of acquisition.

2. Construction is included in the 1964-65 winter works program, subject to acquisition of suitable sites.

3. The proposed dimensions of the buildings are 24′×24′.

4. No.

5. Anticipated completion date is March 31, 1965.

6. There is no delay. We had to await inclusion of these buildings within the funds available for the winter works program.

NUMBER OF CIVIL SERVANTS AND ARMED FORCES PERSONNEL

Question No. 1,942—**Mr. Mather:**

1. What is the total number of Canada's federal civil employees?
2. What is the total number of army, navy, air force, and all other defence personnel?

Hon. Maurice Lamontagne (Secretary of State): 1. Employees in federal departmental branches, services and corporations numbered 202,882 at the end of April, 1964, including the 46,872 members of the civil staff of the Department of National Defence.

2. As of 31 August 1964 there were 118,513 in the armed forces and 47,075 civilians employed by the Department of National Defence.

TRANS-CANADA HIGHWAY—CHANGE OF ROUTE IN NEW BRUNSWICK

Question No. 1,943—**Mr. Flemming (Victoria-Carleton):**

1. Has the designated route of the trans-Canada highway in Victoria and Carleton counties, province of New Brunswick been changed and, if so (a) is it contemplated that another bridge across the St. John river between Andover and Hartland, N.B. be constructed, of which the federal government will pay 90 per cent of the cost (b) where will such bridge be located, and what is the distance of such bridge from (i) the present trans-Canada highway bridge located approximately one mile north of Hartland (ii) the present Andover-Perth trans-Canada bridge?
2. Has any recommendation been received from the government of New Brunswick for the abandonment of the present Perth-Andover bridge as a portion of the trans-Canada highway system?
3. Has a decision been made to construct a trans-Canada highway bridge at or near either of the following locations (a) Kilburn (b) Florenceville?
4. What is the estimated cost of such bridge and will the federal government agree to pay 90 per cent of the cost?
5. Has the government of New Brunswick recommended that the trans-Canada highway between Kilburn and Beechwood be abandoned?

Hon. J. P. Deschatelets (Minister of Public Works): 1. No request has been received to date from the province for approval of a specific change in the designated route in Victoria and Carleton counties. However, preliminary surveys by the province have been approved for the study of alternates to the designated route in this area.

2. No.

3. No.

4. Estimates are not available for any bridges which may be required on the alternate routes being studied. If the designated route is changed to include a new bridge, the federal government will, under the terms of the present trans-Canada highway agreement with New Brunswick, contribute 90 per cent of the cost.

5. No.

TAX ABATEMENT FOR POTASH FIRMS USING SOLUTION METHOD

Question No. 1,950—**Mr. Cantelon:**

Has the government received a request from the government of the province of Saskatchewan for the inclusion, in the three-year tax abatement arrangement, of firms recovering potash by water solution methods similar to that presently enjoyed by shaft mining firms and, if so, what action does the government intend to take with respect to the said request?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The government has received such a request. If any change should be decided upon it will be made known at the appropriate time.

INSPECTION OF SMALL CRAFT LAUNCHING RAMP, DYER'S BAY, ONT.

Question No. 1,954—**Mr. Loney:**

Did an official of the Department of Public Works inspect the small craft launching ramp at Dyer's

Bay, Ontario, during 1964, and, if so, what was the nature of his report?

Hon. J. P. Deschatelets (Minister of Public Works): An inspection was made in the spring of 1964. No action recommended at that time. Further inspection to be made this fall.

GREAT LAKES WATER LEVELS

Question No. 1,961—**Mr. Howe (Hamilton South):**

1. What has been the mean annual water level in each of the great lakes in each of the last ten years?

2. What has been the mean monthly water level in each of the great lakes in each of the last 12 months?

3. Has there been a forecast of water levels for the near future and, if so, what is it?

4. What is the estimated financial loss to (a) business (b) industry (c) government at all levels, and (d) private individuals, through the decrease in the great lakes water levels?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources):

1. Great lakes mean annual water level (IGLD) for period 1954-1963

Year	Lake Superior at Port Arthur, Ont	Lake Michigan at Milwaukee, Wis.	Lake Huron at Goderich, Ont.	Lake Erie at Port Colbourne, Ont.	Lake Ontario at Kingston, Ont.
1954	600.51	579.49	579.46	571.40	245.51
1955	600.31	579.09	579.10	571.61	246.02
1956	600.23	578.19	578.16	570.80	245.29
1957	600.20	577.60	577.64	570.56	244.38
1958	600.17	576.92	577.05	569.83	243.70
1959	600.47	576.80	576.78	569.90	243.84
1960	600.55	578.33	578.28	570.66	244.60
1961	600.22	578.04	578.00	570.63	244.27
1962	600.18	577.55	577.49	569.98	244.36
1963	600.13	576.55	576.51	569.44	244.42

2. Great lakes mean monthly water level (IGLD) for period Sept. 1963 to Aug. 1964

Year Monthly	Lake Superior at Port Arthur, Ont	Lake Michigan at Milwaukee, Wis.	Lake Huron at Goderich, Ont.	Lake Erie at Port Colbourne, Ont.	Lake Ontario at Kingston, Ont.
1936 Sept.	600.64	576.87	576.64	569.21	244.81
Oct.	600.54	576.47	576.41	569.00	244.13
Nov.	600.27	576.04	576.22	569.08	243.61
Dec.	600.06	575.80	575.92	568.93	243.34
1964 Jan.	599.86	575.51	575.56	568.71	242.88
Feb.	599.67	575.42	575.49	568.61	242.35
Mar.	599.48	575.52	575.39	568.91	242.35
Apr.	599.52	575.66	575.39	569.35	243.13
May	600.20	575.95	575.85	569.70	244.03
June	600.57	576.02	575.91	569.65	244.45
July	600.76	576.15	575.98	569.49	244.48
Aug.	600.83	576.07	576.02	569.29	244.13

3. Yes, the United States lake survey makes a monthly forecast of great lakes water levels. The latest forecast, that was made at the beginning of September, indicated that all of the great lakes would be declining in level during the coming months. For Superior, the forecast was for below average levels through the next six months; for Michigan and Huron, record low levels through the next six months; for Erie, levels below those of last year for the next six months; and for Ontario, levels below normal for the next six months.

4. While lower water levels in the great lakes have had repercussions which have translated themselves into hardships and financial losses, a considerable study would be required to estimate the extent of such losses with any accuracy. As has been announced, it is the intention of the government, acting jointly with the United States government, to ask the international joint commission to study measures which might increase the regulation of great lakes water levels. In the course of the commission's investigation detailed knowledge will be secured about the effects of low levels in the lakes.

C.B.C. COVERAGE OF CONFEDERATION SHIP

Question No. 1,964—**Mr. Bell:**

1. Was CBC-tv coverage provided for the confederation ship at Saint John, N.B., on September 5 and, if not, for what reason?
2. Was national coverage provided for any other stops during the voyage and, if so, for what reason?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

1. No. Because on Tuesday, September 1, national television coverage was given to a re-enactment of the 1864 arrival of the *Queen Victoria* at Charlottetown, P.E.I., as part of the centennial ceremony in honour of the initial confederation conference.

2. National coverage was provided from Charlottetown only.

REPAIR OF GOVERNMENT WHARVES, STOKES BAY, ONT.

Question No. 1,973—**Mr. Loney:**

Is the Department of Public Works considering any construction, renovation or repair at the government wharves at Stokes Bay, Ontario?

Hon. J. P. Deschatelets (Minister of Public Works): The matter is under consideration for inclusion in the 1965-66 works program.

NATIONAL HISTORIC SITE, POINT CLARK LIGHT, ONT.

Question No. 1,974—**Mr. Loney:**

Has the Department of Northern Affairs and National Resources made any decision, to date, regarding the acquisition of the Point Clark light site for a national historic site?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No. The historic sites and monuments board of Canada has been asked to study this matter at its next meeting to be held this October. After the board has presented its recommendations on the historical and architectural significance of the Point Clark lighthouse, the minister will be in a position to reach the decision.

REQUEST FOR BREAKWATER REPAIRS, CAPSTICK, N.S.

Question No. 1,977—**Mr. Muir (Cape Breton North and Victoria):**

Has representation been received by the Minister of Labour from the fishermen at Capstick, Victoria county, Nova Scotia, requesting that breakwater repairs be carried out immediately and, if so, what reply has been given?

Hon. A. J. MacEachen (Minister of Labour): Yes. Representations were received from a number of fishermen of Capstick, Nova Scotia, on September 17. They were informed that the matter had been referred to the Minister of Public Works for consideration.

BREAKWATER IMPROVEMENTS, CAPSTICK, N.S.

Question No. 1,978—**Mr. Muir (Cape Breton North and Victoria):**

1. What are the plans of the department concerned to provide breakwater repairs and improvements for the fishermen at Capstick, Victoria county, Nova Scotia.
2. How soon will the repairs and improvements be carried out?

Hon. J. P. Deschatelets (Minister of Public Works): 1. No plans at the present time. The need is presently under consideration.

2. Not applicable.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I ask that you call motion No. 165.

EDMONTON—MEETING RESPECTING DEBTS OF INDIAN BAND

Motion No. 165—**Mr. Horner (Jasper-Edson):**

That an order of the house do issue for a copy of the minutes that were recorded at Edmonton, Alberta at a meeting held on March 2, 1964, between the superintendent of the Indian agency and the Paul's band of Indians in which certain debts owed by them were discussed.

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, this motion is acceptable on the understanding that the hon. member has in mind a meeting held on March 21, 1963. A copy of the minutes of that meeting will be produced subject to the consent of the Paul's band.

Mr. Speaker: Subject to the reservation expressed by the parliamentary secretary, is it

the pleasure of the house to adopt the motion?

Some hon. Members: Agreed.

Motion agreed to.

DOMINION-PROVINCIAL RELATIONS

LEGISLATIVE PROVISION FOR CONTRACTING OUT OF JOINT PROGRAMS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister say whether, in view of the fact there is apparently no authority for the acceptance of opting out by provinces in connection with federal programs, a constitutional amendment or a statute is going to be asked from parliament; whether a bill in that connection has been drafted and when may this legislation be expected to be before the house?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there will be legislation dealing with contracting out provisions brought before the house, I hope during the current session. We expect it will be during the current session although, of course, that will depend on the progress we make with regard to legislation which has greater priority.

Mr. Diefenbaker: Mr. Speaker, may I ask the Prime Minister whether it will be an ordinary statute or a constitutional amendment?

Mr. Pearson: Mr. Speaker, I should like to look into that, but the legislation I am talking about is ordinary legislation covering this circumstance.

BUSINESS OF THE HOUSE

CONSUMER CREDIT AND DRUGS—RESUMPTION OF COMMITTEE SITTINGS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister about two of the special committees which have been set up by the house but which have not been meeting. I am referring particularly to the committee on consumer credit which has not met since July 14, which I understand is now called for October 21, after an interval of over three months, at which 30 witnesses are to appear; and to the food and drug committee, which has not met since July 16 and has no date set, I am told, to meet again. These are important committees, and it seems to us that to refer questions to committees is a good way to deal with business provided that the problems are not swept under the rug by the committees.

[Mr. Speaker.]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, one of these committees is a joint committee of the house and the Senate. I would be glad to take up with the chairmen of both committees the question of an early meeting.

[*Later:*]

Mr. Pearson: Mr. Speaker, a few moments ago the hon. member for Burnaby-Coquitlam asked for some information about a meeting of the food and drugs committee. I am informed that the steering committee of the food and drugs committee met and agreed to recommence the sitting of the committee on November 3 in order to conclude the hearings on the safety of drugs. My hon. friend may not have heard of that decision because I am also informed that the N.D.P. member of the steering committee did not attend the meeting.

Some hon. Members: Oh, oh.

Mr. Douglas: Mr. Speaker, I would ask the Prime Minister a supplementary question. Does he consider that November 3 is a reasonable date for the resumption of a committee that has not met since July 16 to conduct a very important investigation referred to the committee by the house?

Mr. Pearson: Mr. Speaker, I do not determine the procedure of committees. I suggest to my hon. friend that if his party's representative had turned up at the steering committee meeting, he might have been able to arrange for an earlier committee meeting.

EXTERNAL AFFAIRS

CYPRUS—AGREEMENT WITH RUSSIA RESPECTING MILITARY AID

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. In view of the report at noon today that the Cypriot foreign minister has signed a no strings attached military aid agreement with the Soviet union, could the Secretary of State for External Affairs tell us whether Canada or the other countries contributing to the United Nations peace force were consulted or even informed of this very serious development by the Cypriot government?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the Cypriot government is, of course, a sovereign power and has the right, if not, in the circumstances, the justification, to enter into such arrangements with other countries. The full nature of the accord between Cyprus and the Soviet union is not clear. In addition to certain kinds of weapons which were promised for a date which is not clear, there is also a question of economic assistance. I would want to know more about the agreement.

Mr. Nesbitt: Mr. Speaker, I have a supplementary question. The main question I asked the Secretary of State for External Affairs is, was Canada or other countries providing troops to United Nations forces informed or consulted in advance of this move?

Mr. Martin (Essex East): I think I have already answered that by the first part of my response, when I referred to the position of the government of Cyprus. Of course Canada knew, as did other countries, because this question has been widely discussed. I may say that only this morning the Prime Minister and I took occasion to point out to one of the parties that it would not be desirable to complicate arrangements of this sort.

CYPRUS—ARTICLE IN "MACLEAN'S" MAGAZINE RESPECTING CANADIAN FORCE

On the orders of the day:

[*Translation*]

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

Did he read the item published in the French edition of *Maclean's* magazine, which I mentioned last Monday, with regard to Canadian troops in Cyprus? Did he have the opportunity to check that article?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. member suggested two days ago that I should read that article.

I have the article in question, but I did not yet have the opportunity to read it. However, I shall acquaint myself with it as soon as possible and reply afterwards to the hon. member's question.

Mr. Marcoux: Mr. Speaker, I wish to ask a supplementary question.

Could the hon. minister tell us if "as soon as possible" will be after the next rotation of troops or at the beginning of the rotation?

Mr. Martin: I can assure my hon. friend that it will be before December.

[*Text*]

LABOUR RELATIONS

MONTREAL—SUSPENSION OF LONGSHOREMEN BY INTERNATIONAL UNION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I have a question for the Minister of Labour.

Is he aware that the International Longshoremen's Association have arbitrarily, antidemocratically and illegally suspended until December 31, 1965, stevedores who wanted to change their allegiance to another union and that they will thus be losing the benefits they had accumulated under their pension plan?

What action does the minister intend to take to protect these Canadian stevedores from the dictatorship of the International Longshoremen's Association whose headquarters are not located in Montreal but in New York?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have made no investigation into the allegations made by my hon. friend. I will be glad to look into the matter, and if there is any authority under Canadian law to correct what he describes as injustices, action of that kind will be considered.

[*Translation*]

Mr. Caouette: Mr. Speaker, I have a supplementary question. Is the minister aware that the stevedores who have been thrown out of the International Longshoremen's Association and are deprived of the right to work in Montreal harbour are also being deprived of their unemployment insurance benefits? Is the minister aware of that?

[*Text*]

Mr. MacEachen: Mr. Speaker, I presume that if any members of the I.L.A. were expelled they were expelled under provisions of the constitution of the particular union, and there is no authority under our law by which the internal operations of any union are regulated by the Department of Labour. I cannot see, however, how any such action taken by any union would affect the benefit rights of any worker under the unemployment insurance law, but I will be glad to investigate any particular case my hon. friend has in mind.

[*Translation*]

Mr. Caouette: I should like, Mr. Speaker, to direct another supplementary question to the Minister of Labour.

Does he know that these longshoremen were not fired by their employers in Montreal, but that it is the I.L.A. which is keeping them from working until December 31?

Consequently, according to the minister should these longshoremen receive unemployment benefits when they are kept from working not by their employers but by the I.L.A.?

[*Text*]

Mr. MacEachen: Mr. Speaker, my hon. friend has introduced quite a series of circumstances into his question, and I should like to investigate those circumstances in order to determine the benefit rights of the particular workers under the law. I would hesitate to give an offhand opinion on this matter.

[*Translation*]

Mr. Caouette: Mr. Speaker, about another supplementary question—

[*Text*]

Mr. Speaker: Order, please. If the hon. member has any further supplementaries perhaps he could put them on the order paper. This requires a detailed answer, and I do not see how the minister can be expected to answer on the spur of the moment.

[*Translation*]

Mr. Caouette: Mr. Speaker, in all deference and with all due respect, I think that I should have the opportunity to ask the Minister of Labour some questions with regard to the situation now prevailing in Montreal.

I have only one other supplementary question to ask him so that he should know what detailed information to give the house. I do not want this information for myself, personally, but for all hon. members and the Canadian people as a whole, and more particularly the members of labour unions which are controlled and ruled by American unions.

[*Text*]

Mr. Speaker: Order. Would the hon. member put his last supplementary and we will finish with this matter.

[*Translation*]

Mr. Caouette: Mr. Speaker, this is my supplementary question. Is the Minister of Labour aware that the stevedores of the port of Montreal who wanted to exert their democratic rights and transfer to another union, have just been expelled from the international longshoremen's association, and by that very fact deprived of their right to work. Will the minister see to it that the law of this country is observed—rather than the law of the United States—our own law, which ensures freedom of union to all Canadian workers according to the standards set by our Canadian statutes?

[*Text*]

Mr. MacEachen: I am sure, Mr. Speaker, that Canadian law with respect to the union rights of Canadian workers will be fully respected and fully observed.

LABOUR CONDITIONS

D.E.W. LINE—SITUATION RESPECTING LABOUR DISPUTE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister inform the house what is the situation with respect to the labour dispute on the D.E.W. line?

Hon. A. J. MacEachen (Minister of Labour): If I may answer this question, Mr. Speaker, there have been lengthy negotiations between the parties, and last week end the only remaining issue was the wage dispute. With the assistance of the Department of Labour this issue has been referred to an independent arbitrator. We have appointed Judge Anderson of Belleville to arbitrate this final outstanding issue, and he will be meeting the parties this Friday in the court house at Whitby.

Mr. Lambert: A related question, Mr. Speaker. Can the Minister of National Defence tell the house whether one of the proposals to deal with a possible strike was the flying in by the United States air force of American technicians to man the line if the Canadian workers walked off the sites?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not think it would be helpful for me to disclose any of the considerations that were entertained with regard to the possibility of keeping the line in operation in the event a strike had occurred. As I indicated to the house, some preliminary thought was given to that situation in advance of any developments.

Mr. Lambert: Will the minister agree that it is public and common knowledge, as clearly

indicated in the Winnipeg *Free Press*, that this was one of the steps contemplated?

Mr. Hellyer: I am not in a position to confirm the accuracy of all of the information which is made public through the news media.

Mr. David Orlikow (Winnipeg North): A supplementary question, Mr. Speaker, to the Minister of Labour. Is it true that prior to the union agreeing to the appointment of an arbitrator whose decision will be final and binding, the union members working on the D.E.W. line were told that unless they agreed to this they would be replaced by United States air force personnel?

Mr. MacEachen: I have no knowledge whatever, Mr. Speaker, that any such statement was made to the workers involved. My understanding is that the officers of the union itself had settled with the management all the other issues except this one, and both parties voluntarily agreed, in the absence of any intimidation, to submit this to the consideration of an arbitrator.

Mr. Lambert: May I ask a supplementary question. Would the minister please inform himself on this subject, as to whether or not there was such intimidation or threats or alternatives?

Mr. MacEachen: I can certainly assure the hon. member that no such intimidation was employed by the Department of Labour. I shall be glad to inquire whether any such statements were made by other persons. I have no knowledge of any statement being made by any person to that effect.

Mr. H. W. Herridge (Kootenay West): I should like to ask the minister this question. If he finds that these allegations are true, will he protest on behalf of the government of Canada against the armed forces of the United States being used as strike breakers in Canada?

EDUCATION

STUDENT LOANS—REFERENCE TO ALLEGED ABUSES

On the orders of the day:

Mr. M. J. Moreau (York-Scarborough): I should like to direct a question to the Minister of Finance. I wonder if his attention has been drawn to a letter which appeared in at least two Toronto newspapers, one of which was the *Globe and Mail* of this morning, from Mr. Robin Ross, registrar of the University of Toronto. Does the minister not feel this was an effective answer to the rather speculative and unfortunate stories that were being bandied about—

Some hon. Members: Order.

Mr. Moreau: —in connection with the student loan program?

Hon. Walter L. Gordon (Minister of Finance): I did see the letter, Mr. Speaker. Last week, after certain charges were made, my department got in touch with the authorities of the department of university affairs of Ontario, and I spoke to both the president and registrar of the University of Toronto. This letter makes it clear that, so far as the University of Toronto is concerned, they welcome the student loan plan and there is no evidence that has come to their notice of any abuses of the plan.

If I might I should like to take this opportunity to point out that under section 14 of the act there is provision for penalties against anybody abusing this plan. This section will be used if abuses come to light. However, the information I am getting from all over the country is that this plan is very successful.

Mr. Reg Cantelon (Kindersley): I have a supplementary question for the Minister of Finance with respect to student loans. What steps is the minister taking to correct the inaccurate schedules of repayment outlined in the brochure, and what steps has he taken to resolve the ambiguity which these schedules have caused? The minister said on Friday he was willing to consider exempting medical students from interest repayments during their years of internship. Would he consider exempting law students during the year in which they are articled?

Mr. Gordon: In answer to the first part of the question, I would think the discussion which has taken place and which has been reported in the press will pretty well clear up this difficulty. As to the second part of the question, I do not believe there is any great feeling that lawyers or prospective lawyers need this kind of financial assistance.

Some hon. Members: Hear, hear.

Mr. Gordon: If they do, I will be glad to look into it.

Inquiries of the Ministry

NATIONAL DEFENCE

INQUIRY AS TO TRAINING OF CANADIAN TROOPS IN GUERRILLA WARFARE

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): I should like to address a question to the Minister of National Defence. In view of the type of fighting going on in the troubled areas of the world today, can the minister inform the house whether the Department of National Defence is training any of our troops in guerrilla warfare?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, they are not trained in guerrilla warfare as such, but they are given a considerable amount of training which would enable them to give a good account of themselves if they were called upon to act in that kind of environment.

COMBINES

REPRESENTATIONS RESPECTING AUTOMOBILE PARTS AND ACCESSORIES

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I direct a question to the Minister of Justice?

Is the minister now in a position to answer the question I put to him on August 26 and 28, asking him whether he would deal with a brief presented to him by the national automobile products dealers association?

Hon. Guy Favreau (Minister of Justice): This week, Mr. Speaker, I had an extremely interesting discussion with the national automotive association, grouping auto parts dealers in Canada and independent garage operators in Canada.

I must say that we discussed each and every one of the problems concerning them, particularly as regards the possible amendments to the administration of the Combines Investigation Act and I may say that a brief is already being prepared.

[*Text*]

INDIAN AFFAIRS

POSSIBLE TRANSFER OF JURISDICTION TO PROVINCIAL GOVERNMENTS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to address a question to the Minister of Citizenship and Immigration. Can he can inform the house whether any negotiations are under way between anyone in the government of Canada and anyone in the governments of the provinces with respect to the transfer to the provinces of any part of the federal jurisdiction over the Indian people of Canada?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, in my absence yesterday, while I was detained in Quebec by illness, the hon. member for Yukon (Mr. Nielsen) and the hon. Leader of the Opposition (Mr. Diefenbaker) asked the right hon. Prime Minister various questions concerning Indians in Canada.

I must, first of all, give the hon. members the assurance that there is no question of transferring the jurisdiction over the Indian people from the federal to the provincial governments. We intend, as a government, to maintain all the rights granted to them under the constitution on Indian affairs in this country. On the other hand, everybody recognizes that the Indians, being citizens living in various provinces, should benefit like any other citizen from certain provincial services. We feel that the extension of those services to the Indian people in the various provinces does not prevent in any way the federal government from maintaining its jurisdiction.

That is why, following the federal-provincial conference held in December 1963, it was decided, in co-operation with the various provinces, to call a federal-provincial conference which would deal only with Indian affairs in order to bring about a change in methods and to apply other and more appropriate methods so that the Indians might benefit from those provincial services; that conference was scheduled for the end of May. In view of the scope of the matter to be discussed, it was decided to postpone the conference until the end of October; it will therefore take place October 29 and 30 next in Ottawa.

As it so happens we shall be discussing measures that would enable the provinces to extend a number of provincial services to the Indians, on condition the federal government grant compensation. The very important problem of consultation on Indian affairs has been raised. I can assure the two hon. members and the entire house, that the present government will not make any major decision during this parliament before consulting the Indians themselves, as they are the first concerned in all these measures and, all the more so, provincial authorities.

I therefore think these various answers are such that both hon. members will be satisfied.

[*Text*]

Mr. Nielsen: A supplementary question. I wonder whether the minister would now answer the question I put to him, namely whether there are any discussions or negotiations under way now between anyone in the federal government and anyone in any of the provincial governments with respect to the policy matters described by the hon. gentleman in his reply.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I answered this question by saying that negotiations are now taking place between the federal government and the provincial governments, merely in order to extend provincial services to the Indians. There is no question of abandonment of federal jurisdiction as regards Indian affairs.

[*Text*]

Mr. Nielsen: One further supplementary question. Has the federal government held out to any of the provincial governments or representatives thereof any financial transfer to them in consideration of which they would take over these responsibilities?

[*Translation*]

Mr. Tremblay: Mr. Speaker, we are now discussing with the provinces compensation formulas for provincial services that would be extended to Indians. This is absolutely not a question of surrender of "jurisdiction" by the federal government. As hon. members know, such agreements exist in certain provinces, especially as far as education is concerned. Besides, that was the policy applied in the past by the Leader of the Opposition, and the present government is considering the extension of other services.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Since the hon. gentleman has chosen to include a little fiction in his answer, I might possibly ask him this. Has this question of the provinces taking over responsibility for the education of the Indians or providing social welfare assistance been considered by several of the provinces, and have several of the provinces turned down the suggestion made by the federal government; and this within the last few days? Second, when the minister talks about the Indians being consulted, what consultation has taken place with the Indians? Are their rights to be bartered away without their being consulted in advance?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I should like to have an answer, and if the hon. gentleman needs assistance from the Minister of Trade and Commerce it indicates how little he knows about the question.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I wish to state once more what I said a while ago that the government by no means intends to abandon its responsibilities in any matter falling under its jurisdiction. But the federal government wishes to make agreements such as those which presently exist with the province of Ontario and other provinces in the area of education. Under such agreements the provinces would extend the facilities provided for the whole population, in return for the payment by the federal government of a certain normal compensation.

Conerning the second question, I will tell the hon. Leader of the Opposition that no important decision respecting Indian affairs will be taken before the Indians themselves are consulted and accept it.

[*Text*]

Mr. Diefenbaker: That still does not answer the question. This dealing, or double dealing, has been going on for some time—

Some hon. Members: Order.

Mr. Speaker: Would the right hon. Leader of the Opposition rephrase his question?

Mr. Pearson: He had better rephrase it.

Mr. Diefenbaker: I suppose I should have said "This dealing between the federal and the provincial governments". Hon. gentlemen opposite have a fear of that expression "double dealing" which I never held. I want to find out the answer to this simple question. Have several provinces turned down the proposals made to them? Next, will the minister answer this. Have the Indians yet been consulted? Why does the government go ahead with this proposition without consultation in advance? That is what I want to know with regard to the Indians whose rights must be respected.

[*Translation*]

Mr. Tremblay: Mr. Speaker, no decision has yet been reached by the federal government. We simply engaged in preliminary talks before a conference which will be held at the end of October. This conference on Indian affairs will not be final, because no decision will be taken thereafter, by any

government, and particularly by the federal government, before the Indians are consulted.

[*Text*]

Mr. Diefenbaker: I do not seem to make myself clear. Have several provinces turned down the proposal? Will the hon. gentleman answer that question?

[*Translation*]

Mr. Tremblay: Mr. Speaker, it would be surprising if, before the federal-provincial conference to be held in late October I indicated which provinces will make a decision on a proposal they have not yet considered.

[*Text*]

Mr. Frank Howard (Skeena): I have a supplementary question too, Mr. Speaker. It is obvious the minister is being somewhat coy about disclosing—

Some hon. Members: Order.

Mr. Speaker: In view of the series of questions we have had on this particular matter, would the hon. member make his question short and to the point?

Mr. Howard: I thought I would be able to get away with at least as much as the right hon. Leader of the Opposition. In view of the fact that the Minister of Citizenship and Immigration is coy or evasive about answering questions—

Some hon. Members: Order.

Mr. Howard: —will he tell the house whether native Indian people will have the opportunity to participate in the federal-provincial conference at the end of October?

[*Translation*]

Mr. Tremblay: Certainly, Mr. Speaker. Consultations at all levels will be held with the Indians after this federal-provincial conference and therefore, before any decision is made by the federal government.

Mr. Réal Caouette (Villeneuve): A supplementary question, Mr. Speaker.

Since the minister stated that he does not wish to disclose—and I quite understand that —what suggestions or proposals the provinces intend to submit, could the minister tell the house what is the position of the federal government at present and what stand it proposes to take concerning the Indians during the forthcoming conference with the provinces?

Mr. Tremblay: Mr. Speaker, I explained it to the house in reply to previous questions.

[Mr. Tremblay.]

[*Text*]

Mr. David Orlikow (Winnipeg North): I have a supplementary question, Mr. Speaker. I would like to ask the minister whether any provinces have proposed to the federal government that the federal government turn over the responsibility for administering Indian affairs to the provinces.

[*Translation*]

Mr. Tremblay: No, Mr. Speaker, not that I know of.

[*Text*]

HEALTH AND WELFARE

ROYAL COMMISSION RECOMMENDATIONS RESPECTING MEDICAL CARE PROGRAM

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the fact that rates under private medical programs such as M.M.S. in Manitoba and P.S.I. in Ontario are going up, will the government consider speeding up its proposed action on the Hall commission recommendation for a health charter for Canadians?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I am not certain that the increase in rates of the doctor-operated medical plans in the various provinces is a matter which directly concerns me in my responsibility as Minister of National Health and Welfare. However, I should like my hon. friend to be reassured that I will do everything I can to speed consideration within the government of the recommendations of the Hall commission.

AIR CANADA

TRANSSHIPMENT OF CARGO FOR JAPAN TO FOREIGN CARRIER

On the orders of the day:

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, yesterday the hon. member for Okanagan-Revelstoke asked the Acting Minister of Transport a question which appears at page 8530 of *Hansard*. In the absence of the acting minister I would advise that inquiries have been made of Air Canada and the following reply has been provided. Air Canada's policy is to transship via Canadian Pacific Airlines all cargo destined for Japan, Hong Kong and other points in the Orient.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or other dependents of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,109,600.

The Chairman: Shall vote No. 1 carry?

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Chairman, I want to repeat here that if the estimates of my department are placed before the house today, it is because of my promise to allow hon. members to state their views on the way the Canadian constitution might be amended from now on, no longer by the United Kingdom parliament in London, but rather by the Canadian parliament itself, in other words, on the way to repatriate our constitution.

It has been agreed between the various parties, through all the house leaders, that there will be no general discussion today on item 1 of the estimates. The house will have the opportunity to discuss that in a fortnight.

How will it be possible to turn the document known so far as the British North America Act into a really Canadian document, by providing that the structures it sanctions might be amended exclusively in Canada? That is certainly the main legal question we are interested in as legislators.

The history of this undertaking includes already many episodes which have taken place during a long period. May I recall them briefly.

The first federal-provincial conference which discussed constitutional amendments was held in 1927. The then minister of justice, one of the great Canadians we have known, Right Hon. Ernest Lapointe, championed the cause and held the firm belief that the Canadian authorities should have the power to amend the British North America Act. At that time however, the opinions were much divided as to whether it was appropriate that this power should be given to us.

In 1935, a special committee of this house considered the problem but could not reach a definite conclusion. The matter was placed before a provincial conference during that same year, and in 1936, recommendations were prepared by officials. Once more, there was no agreement and it was impossible to act in a positive manner.

It was necessary to wait until after the war to resume the discussions. Following the amendments to the federative act in 1949, a constitutional conference with the premiers was called. A subcommittee of the attorneys general was set up. During two meetings they analysed all the aspects of the problem, but, once more, without reaching an agreement.

The attorneys general resumed the task in 1960 and 1961, in the course of four meetings. From these long consultations between the federal government and the various provincial governments emerged an amendment formula expressed in a bill. This bill was entitled: "An act for the amendment in Canada of the Canadian constitution". The bill was published in order that its principles might be discussed in all possible circles. However, last summer, after nearly three years, certain provinces were still reluctant about expressing a definite opinion concerning that formula, and others had expressed reservations.

Yet, one could see that everyone was truly desirous of reaching an agreement on an acceptable solution. That is why the prime ministers and premiers felt that they should go over the question once more during the federal-provincial conference held in Charlottetown early this month. The best way to report the results of the ensuing discussions is to read into the record the press release they issued following the Charlottetown conference.

I shall read from the official version in French but I have sent the official English version to the interpreters so that the text which will be read in either language will be exactly the same as the one which was approved by the prime ministers and premiers in Charlottetown.

The prime ministers and premiers affirmed their unanimous decision to conclude the repatriation of the B.N.A. Act without delay. To this end, they decided to complete a procedure for amending the constitution in Canada, based on the draft legislation proposed at the constitutional conference of 1961, which they accept in principle. An early meeting of the attorneys general of Canada and the provinces will be held to complete the amending formula devised by the 1961 conference, and to report to the prime ministers and premiers.

[*Text*]

The attorneys general have thus been given terms of reference for a meeting which is to

take place in Ottawa on Monday and Tuesday next, and from which we hope to report to the premiers who will be meeting in the following week.

I do not think it would be appropriate for me at this time, in advance of the conference, to express my views as to how this long process of discussion and negotiation can be brought to a satisfactory conclusion. I am most anxious to hear the views and recommendations of members in all parts of the house. This is a matter on which we are all agreed as to the objective. As long as we cannot amend our own constitution there is a very real sense in which we lack an essential pillar in the structure of our confederation. There is, we all recognize, a deformity to be remedied.

It is equally clear from the history of the matter that the remedy involves genuine difficulties. Any satisfactory constitution requires in its amending formula a careful balance between the virtue of security, of constitutional safeguards, and the necessity of some flexibility in order to adapt to changing requirements. A federal constitution, of course, must achieve this balance within the framework of federal-provincial jurisdictions which are fundamental to the structure of the constitution.

Our predecessors have struggled with this problem for many years. I believe they have gradually moved us to a position in which we can look forward now to an agreed solution which will make our constitution Canadian. I know that is the wish of everyone in this house, and I can assure the house that the government will listen attentively to all the advice offered to it for this purpose, which stands far above any partisanship.

Mr. Fairweather: Mr. Chairman, the minister has said that our predecessors had struggled over this question, and I would admit quite quickly to this committee that I am joining in the struggle. However, the minister avoided a favourite term of one of his colleagues, the minister of defence. He did not use the words "new hard facts", which is one of the favourite clichés of the Minister of National Defence. So because we have no new hard facts to add to a most interesting constitutional development historically it makes an intelligent exchange difficult.

In the Rowell-Sirois recommendations there is what might be called a statement of purpose, and I think this would be a good place to commence my remarks:

> In the course of our work we have come to appreciate as never before the achievements of the fathers of confederation...By their achievements they laid the foundation of national unity and of the federal system, both of which our instructions enjoin us to respect. It is our hope, and we venture to say our confident expectation, that they accomplished these great things without laying on future generations the dead hand of the past and that they transmitted to us a constitution capable of development not only through judicial interpretation but through amendment as well, to meet the new situations and problems which were bound to arise...Canadians are so proudly conscious of the national unity which they have achieved and so respectful of the federal system that has made this unity possible that there may be some danger of their thinking of national unity and of the federal system in the abstract as having some special merits which make them desirable in themselves. We have endeavoured to keep before us at all times the goal of human welfare which should determine the character of both political and economic systems.

It is interesting to go back to statements which have been made, even though it was just over a generation ago, and try to recall the mood of the country at the time.

I am grateful for a chance to participate in this discussion, and I am also conscious, as anyone who has taken a look at the frustration, shall I say, or at the problems which have faced others through the years must be, that we today are joining in quite a company of greats. I am not going to catalogue them; the minister has mentioned one or two, and they include some of the great parliamentarians of Canada as well as some learned in the academics.

I feel that as a preliminary comment I might put this oft times obscure subject into perspective, or at least into my perspective. First of all, the British North America Act is a Canadian document. It was conceived in Canada and received a great deal of its impetus from conferences which we had 100 years ago in Charlottetown and in Quebec; and we, of course, are taking part in these celebrations. The B.N.A. Act was not imposed on a long suffering colony by an imperial master.

We are busy celebrating the anniversary now, and as the minister says, we are still debating how to detach the act from the statute books of the United Kingdom. I think the minister and most hon. members would agree that we should not be lured by simple or overly simple shibboleths, that all will be well in Canada if only the constitution is returned home. I have read this oversimplification.

The plain fact is that in 1867 when the act passed through its various stages in the United Kingdom parliament hardly a word was changed in the draft act submitted by Canada. At no time in the intervening years

has that parliament objected to the policy involved or the subject matter of any amendment we have sought. Rather, plaintive cries have come out from the United Kingdom house suggesting to us that it is high time we performed our own amending functions. As a matter of fact, in reading the accounts of the passage of the British North America Act through parliament I came across a suggestion that several of the members were asleep. This fact, of course, would have no relevancy today. I also read that the subject succeeding the British North America Act in the United Kingdom house was on the taxing of dogs in the city of London.

I think it is safe to say that no one in this parliament, as the minister has said, objects to the plan to bring the constitution home. I hope it is safe to say that no one seriously thinks that merely by transferring the statute from one jurisdiction to another all our problems will be solved and we will usher in the promised land.

In passing it is interesting to recall that the move to call Canada the kingdom of Canada came particularly from the Quebec delegation. What a dangerous lapse into colonialism was avoided by the use of the word "dominion".

I have one or two questions I should like to pose to the minister. The opposition and the house is being asked to put forward views on a matter that really cannot be discussed constructively without a knowledge of the position of the government. The minister said that he wants to hear our views, but he will not give us his.

We have been told that section 91 is being examined. I want to ask, what is the government's stand on this section? Is the government prepared to surrender to the provinces powers allocated under that section to the federal parliament? If the government is not prepared to consider giving up powers, why is the section being examined? If the government is prepared to surrender certain powers, what powers does this include? I should like to know the government's position relative to section 91. I suggest that these are legitimate questions, without the answer to which parliament is placed in a very awkward position. I am aware of the communiqué from Charlottetown, but I am wondering what agreements were reached in Charlottetown in this connection.

Was it a condition of repatriation that section 91 should be looked into with a view to transferring certain powers from the government of Canada to the provinces, and did the government of Canada agree to them? Is the government preparing to concede certain jurisdictional prerogatives, or to accept prior recommendations from the provinces on matters affecting immigration, tariffs and monetary policy, as indicated in certain press reports? In short, Mr. Chairman, I want to know what is the government's policy. Is the government accepting the so-called Fulton formula in its entirety? How is it that what was not acceptable when the formula was first advanced, is now accepted, and what if any are the conditions of such acceptance?

The main problem we face, of course, as the minister said, is to find a formula for amending the constitution when it finally finds domicile here in Canada. I should like to recall that of the dozen or so substantial amendments since 1867, nearly all have come about because of the growth of the country and did not involve any infringement, in the narrow sense of that term, on provincial rights.

Sometimes a loose formula was used for consulting the provinces before seeking amendment. In law I suggest there is nothing to prevent this parliament from seeking and obtaining "any amendment whatsoever in the B.N.A. Act", to quote a statement made by Premier Jean Lesage in 1949. The accuracy of that statement was conceded by the then prime minister, Mr. St. Laurent, about that time. So this parliament could in law secure an amendment, or even repeal its sections guaranteeing the use of the French language, or provincial control of the schools. I am quick to admit that this is mere legal theory —in fact no government of Canada, I am glad to say, would dare abridge fundamental provincial rights in this regard. Most members would agree that this parliament should not possess the unilateral amending power it now has, but as a matter of political prudence it would not dare exercise.

The first task facing the meeting of the attorneys general is to agree on a definite and reasonable rule about consultations before seeking amendments that will become in every sense the Canadian constitution. As E. A. Driedger, the deputy minister of justice, said in the *Canadian Bar Journal*, volume 5, 1962:

> Our constitution, as in the case of the United Kingdom, consists in part of written material and in part of conventions and customs. The written material consists—partly of our own statutes and partly of United Kingdom statutes.

He then states:

The present situation may be represented by a circle divided into three segments. One segment represents the authority of the parliament of Canada to make constitutional laws. Another segment represents similar authority possessed by the legislatures of the provinces. The remaining segment represents the area of jurisdiction that is beyond the authority of parliament or the legislature; the sole power to make constitutional laws in this area rests with the parliament of the United Kingdom.

This is what we are trying to bring to an end. Then Mr. Driedger says:

In addition, the parliament of the United Kingdom has concurrent jurisdiction over the federal and provincial segments.

The problem of finding a suitable method of amending the constitution of Canada in Canada involves two things. First there must be transferred to appropriate legislative bodies in Canada jurisdiction over that segment of our circle that is now within the exclusive authority of the parliament of the United Kingdom. Second, we must remove from the parliament of the United Kingdom the jurisdiction it now has over this segment, and also the concurrent jurisdiction it now possesses over the areas included in the segments of our circle now falling within the jurisdiction of parliament or of the legislatures. At the same time, we must be careful to see that we do not now interfere with the powers that parliament and the legislatures have. We would not want, for example, an amending formula that would make it impossible for the provinces alone to amend their constitutions, a power they now possess under head (1) of section 92; nor would we want to take away from parliament the powers it now has under the various sections of the British North America Act that confer upon parliament power to amend the constitution of Canada in matters of purely federal concern. However, it should be pointed out—

This was made clear, I think, during the 1960 conferences.

—that there is some objection to the wide powers conferred on parliament by the new head (1) of section 91 and it is no doubt felt by some that if we do arrive at an acceptable amending formula there should be some change in the authority conferred by this provision.

In any discussion of such a subject it is important, I suggest, to distinguish between rights in a narrow or parochial or provincial sense and the basic rights of a culture or of a group. These latter rights, I suggest, include language, education and religion, to name but three. These are and must continue to be sacrosanct. The success of the early fathers of confederation, and I suggest they were successful, is, it seems to me, largely due to the fact that this difference was acknowledged both in the statute and, equally as important, in the mood and philosophy of the statesmen engaged in the task of making here in this land a viable nation.

If I may philosophize for a moment, I think this is the mood we have to have in Canada today, and if we have this mood nothing is impossible for us. Part of this mood was displayed recently in an extraordinary document. It is sometimes frustrating to think that some of the most interesting documents on the constitution and on the state of politics lately have originated not in this chamber but outside this chamber. I am going to recall the appeal for realism in politics published in May of this year in *Cité Libre* and the *Forum*. Among many other important things the authors say in considering the subject of federalism:

We believe in federalism as a political structure for Canada. However, we are not satisfied with the evolution of Canadian federalism in a number of areas. As this subject is being discussed ad nauseam nowadays, the mention of one typical area will be quite sufficient.

In those domains which the constitution has given to the jurisdiction of both Ottawa and the provinces, it is evident that plans must be developed jointly. Sharing could also be introduced, if necessary by constitutional amendment, in cases where the establishment of joint plans would permit the population to benefit from important external economies. But one thing is certain: the kind of haphazard political expediency which has inspired so many sharing schemes and federal subsidies for so long has got to stop.

Whatever may be the division of responsibilities between the provinces and the central authority, each must have a share of fiscal powers in proportion to the duties entrusted to it by the constitution.

I want to come for a minute to the so-called Fulton formula and in order to be accurate I shall list some of the main provisions quickly. One of the key provisions in the formula was that all 10 provinces must give their consent before the federal parliament could amend any section of the constitution dealing with basic provincial jurisdiction in the fields of education, language and property and civil rights. Another consideration was that sections dealing only with some provinces and not affecting others could be altered with the consent of the provinces concerned. The third proposal was that general amendments could be made with the approval of two thirds of the provinces provided those seven provinces represent at least half of the Canadian population. Parliament could enact laws in the jurisdiction of the provinces and vice versa provided there was agreement between both levels of government.

This brings to mind a topic that has been of close concern to me for some years. We must find a formula for a sensible delegation of legislation. The example I like to cite is one of very current concern in Canada. I do not think the chairman of the

Toronto stock exchange would go as far as I am going to go but I believe that the 10 provinces should delegate authority over the transfer of stocks and bonds and so on. In other words, this country should be given the opportunity federally to enact the equivalent of the securities and exchange commission of the United States. This is the type of thing I think we have to be prepared to do if we want the discussions with the attorneys general when they are held really to result in something that will make the country work better.

In *Le Devoir* of recent date the great editor of that paper had something to say too about philosophy, and I think that in any consideration of constitutional matters it is worth while recalling his words to the house and putting them on the record. He said:

> There is...room for explicit recognition of the special position Quebec—in so far as it is the primary outlet for the French element in Canada—should occupy in the Canadian political organization. But the viewpoint here remains Canadian. One accepts Canada not as a makeshift thing from which one must free oneself, but rather as a political reality that has real value and that one wants to improve. This way of seeing is not unitary but federalist in nature. For it, the federal system is the one that best fits our geographic, historical, economic and political circumstances. Without wanting to preserve this system at all costs, the man thinking this way repudiates the defeatist and sweeping interpretations proposed by certain people to cover the history of the last century.
>
> This way of seeing things also takes into consideration the development that has taken place in Anglo-Canadian opinion during the last quarter century. Those who take this viewpoint believe it is possible and desirable to reform our federal system so that it will be efficient and acceptable for Canadians of both languages. They see this reform as the result of faithful conversations and agreements between the two groups. They'd like to achieve their objectives by way of objective dialogue rather than by means of the ultimatum. But they recognize, to begin with, that it is the Canadian order of things for which they are seeking a solution.

It would be presumptuous for me to say that I share this view. It is the view of one of the great moderates speaking in Canada today. But I accept wholeheartedly the premise and I think it should be said in this discussion involving the very heart of our country.

There is another suggestion I want to make, that when the attorneys general are meeting they consider a formula whereby the bill of rights of Canada, a very important document as it now stands, could become entrenched in the constitution. It should be incorporated into the constitution and it should be so entrenched that no change could be made without the consent of all the legislatures and the parliament of Canada. The bill of rights should contain the basic freedoms of religion, speech, press, assembly and association. It should also provide for freedom from discrimination on the grounds of race, colour or creed, freedom from arbitrary arrest and imprisonment and the guarantee of free elections within a stated period. I hope that when this is done, the day will come when concurrent legislation will be enacted in the ten provinces. Then this great formula will be very meaningful, in all the areas of our concern.

Technically and narrowly, Mr. Chairman, and I underline this, the easiest thing for a country would be to have one government or one superstate. However, we are not merely dealing with technicalities and a narrowly conceived formula. We are dealing with a way of life and all that that term implies in social, cultural and in the economic sense. It is for this reason the forthcoming conference which seeks to find this formula and not just bring a piece of paper back across the ocean—that can be done readily—must seek a formula in the same spirit as the men who got together in this country 100 years ago. I hope this does not sound maudlin, as I do not mean it to be. As I said earlier, if that is the type of spirit, and lacking ultimatums, lacking wildly extravagant charges and countercharges, lacking any blackmail or that type of thing, we can make this a viable land.

One of the great contemporary artists who has just completed his latest masterpiece, a new window for the United Nations, once said about his accepted task,

> There is so much work to do to get any result. To take a stained glass window and give it life, you have to embrace it, warm it up; you can't deceive God...Well, let's work; let's work.

I think that Mr. Marc Chagall's statement has application in the months ahead. We here, in this type of debate, a non-partisan debate, have a hard and serious responsibility and I suggest that we work, we work.

Mr. Brewin: I join with the hon. member for Royal, Mr. Chairman, in welcoming the opportunity afforded by this debate to discuss the vitally important issue of constitutional amendment. I agree with him that this issue, although it seems abstract to some people, vitally affects the human welfare of Canadians and may affect it for generations to come. We here in this party entirely agree with the objective stated by the Minister of Justice, the objective of repatriating the constitution of Canada and making it wholly Canadian. But this statement by itself solves

very little. If we adopt the wrong methods in repatriation, and I believe we are in danger of doing so, we may seriously jeopardize the welfare of Canada.

I understand from the statements made by the Prime Minister in this house from time to time, that in the discussions that are to take place next week with the attorneys general of the provinces, the Minister of Justice representing the federal government will, to use the words of the Prime Minister, begin where the last conference left off. I remind the committee that the last conference left off when proposals were made for a formula for amending the Canadian constitution in Canada by the then minister of justice, Hon. Mr. Fulton, on December 1, 1961. This formula became known as the Fulton formula, although of course one should point out the formula was put forward by the administration of that day and supported by them.

This formula was, in fact, incorporated in a draft bill. This bill by section 2 provides, and this is the core of the proposal, that no amendment could be made to the constitution of Canada which affected any provision relating to the powers of the legislatures of the provinces to make laws without the concurrence—mark this—of the legislatures of all the provinces. If it is a fact, Mr. Chairman, that the government of Canada proposes to reintroduce this formula at the forthcoming conference with the attorneys general, then I say to this committee it is necessary to sound a solemn warning, at least a warning as solemn as I can make it.

The carrying out of this proposal has been described by Professor Bora Laskin, an eminent constitutional expert, as an unmitigated constitutional disaster. I adopt his language. Another picturesque phrase has been used to describe this proposal. It has been said, and I think rightly said, it would confine Canada for all time in a constitutional strait-jacket. The burden of my remarks today will be to urge, with all the force I can, that it is the duty of the government of Canada, representing all the people of Canada, to avoid this unmitigated disaster and to avoid unflexible provisions for the amending of our constitution.

To many people, Mr. Chairman, constitutions are inclined to be dull, legal documents. But it should never be overlooked that they constitute the framework within which all the activities of government are obliged to operate. They are particularly important in a country such as Canada where we have a federal state and where it is necessary to preserve a reasonable balance between adequate powers for the central government on the one hand, and adequate local autonomy to the provincial governments on the other. It is impossible for the wit of man to devise a distribution of powers and resources available to governments that will stand the test of time. As the first hundred years of Canada's history has clearly revealed, a series of problems have come within the purview of governmental action which were never even contemplated, and indeed could not have been contemplated at the time these constitutional provisions were made.

It is for this reason that an amending procedure in a constitution is absolutely essential, so that a constitution can be adapted to the changing needs of a growing society. We do not have a static society today. This was pointed out by Lord Sankey in a case in the judicial committee where he described the constitution of Canada as a growing tree and not a static document. He sought, by a judicial interpretation, in effect, to amend the British North America Act in the light of that view. But it is impossible to rely on a judicial interpretation as a means of amending the constitution.

A procedure of constitutional amendment which is absolutely rigid and is subject to the veto of small groups of people may condemn Canadian governments in the future to inaction and sterility in the face of serious problems. I remind the committee that in the last 30 years of our history it has been necessary to secure constitutional amendments to permit great social reforms and maintain reasonable standards of social security and a reasonable measure of equality across Canada. The British North America Act, for example, was amended in 1940 to add unemployment insurance to the list of items under section 91 that fall within the competence of this parliament. In 1951 the British North America Act was amended by adding section 94A which permitted the parliament of Canada to make laws in relation to old age pensions, although of course they had made some laws in that regard earlier. This provision confirmed that right. As this house very well knows, we have recently passed a resolution that seeks amendment of the British North America Act to permit the incorporation of survivor benefits in legislation with regard to contributory old age pensions. I should point out to the committee that none of these measures could have been considered or contemplated in 1867 when totally different social conditions prevailed. Yet had the formula which

is put forward, described as the Fulton formula, been in effect and incorporated into law, the result would have been that the legislature of any single province could have prevented effect being given to the general consensus of all the other provinces in Canada in favour of such a constitutional amendment.

Let us take an illustration. I have nothing against the province of Prince Edward Island or its legislature. I understand it is one of the most picturesque and delightful provinces in Canada.

An hon. Member: Hear, hear.

Mr. Brewin: Judging by its representatives in this house—and I know there is one applauding at least part of this speech—I believe the people of Prince Edward Island would be reasonable in their views about problems facing the people of Canada as a whole. But the fact of the matter is that in 1961 the total population amounted to 104,000 people, little more than one half of 1 per cent of the population of Canada. The total number of electors in the province is 57,000 out of a total number of Canadian electors of just over 10 million. The electors of the riding of York-Scarborough, in one municipal area of my province, number 162,000 or three times those of Prince Edward Island. The total population of York-Scarborough is 267,000 as compared with the figure of 104,000 which I have already given for Prince Edward Island. I am not trying to single out the province of Prince Edward Island. If I were discussing provinces which might present problems I certainly would not refer to Prince Edward Island. I am merely drawing attention to the complete absurdity of giving a veto over all constitutional amendments to the representatives of a province whose population is numerically less than that of some single constituencies in Canada. I think that even those with the greatest respect for provincial rights—and I myself have great respect for those rights—would acknowledge that it would be an absolute absurdity for a single constituency such as York-Scarborough, for example, to be given the power, by its votes, to veto a constitutional amendment for which a consensus of support had been secured across Canada.

I wish to make it clear, however, and in this I follow the remarks of the hon. member for Royal, that there are certain sections of the British North America Act and certain rights which could and should be entrenched in the constitution in such a way that their amendment except by the unanimous consent of the provinces would not be possible. These are matters which are truly fundamental to our whole confederation and with regard to which no change can reasonably be contemplated. I would mention, for example, section 51(a) which guarantees representation by provinces in this House of Commons; section 93 dealing with the right of provincial control over education; section 133 which deals with the right to use both the English and the French language in this parliament and in the courts. All these rights should be so entrenched that they could not be amended without the approval of the legislatures of all those provinces which might be affected.

To these rights should be added other fundamental rights which, unfortunately, are not embodied in our constitution and which I consider should be included before any process is finally accepted. I welcome and second the suggestion made by the hon. member for Royal that the fundamental rights and freedoms of individuals, most of which are to be found in the present Canadian Bill of Rights should be incorporated in the fundamental document of our constitution. I am sure that if the Leader of the Opposition, one of the main proponents of the bill of rights, were in his place now he would acknowledge that they are not part of our constitution at the present time. The bill of rights is merely a statute of this parliament which can be amended by this parliament; it does not control the activities of the provinces in any way whatever. I therefore join in urging the Minister of Justice to include in the proposals to be made to the attorneys general of the provinces a proposal that incorporation of these fundamental rights in the constitution of Canada itself should take place.

But despite the fact that these fundamental provisions which I have enumerated—and there may be others to be added to them—should be entrenched in our constitution with a real degree of rigidity, there are many other provisions with respect to the distribution of powers between the provincial legislatures and the federal government which are of such a nature that they may well require amendment in the future, and these should be amendable by a consensus of the provinces and the federal parliament. For example, there is section 92(13) of the British North America Act which, as the committee knows, gives to the provincial legislatures legislative power over property and civil rights. In this phrase "property and

civil rights" there are no doubt included some purely local matters which particularly affect the local rights and cultures prevailing in individual provinces. But also included in this broad phrase "property and civil rights" are matters which from time to time require to be dealt with on the national level by the parliament of Canada if they are to be dealt with effectively at all. To give some illustrations, let me say there is a need for federal intervention so as to prevent fraudulent transactions in securities. Today the federal parliament has some dealing with this subject under the heading of the criminal law which falls within the federal power. There is also some provincial regulation. But there should be uniformity of legislation and administration across Canada in this regard. The hon. member for Royal has suggested this might well be done by delegation. I do not think we can rely on delegation. I believe an amendment is needed to deal with this problem.

Another aspect, one which is of urgent concern to farmers in particular, concerns the marketing of natural products. This, in some respects, is best suited to federal control especially with regard to commodities entering into export and import trade. Needed amendments in this field might well be prevented if there were a constitutional straitjacket such as is involved in what I call the Fulton formula.

We are expecting almost momentarily to have revealed to us the long awaited national labour code. I would point out to the committee that this code will be a national labour code in name only; it will apply only to industries which fall under certain of the specific heads of federal jurisdiction set out in section 91. It does not apply to nationwide industries such as steel and packing houses, for example. At the moment provincial governments and their agencies are forced to try to cope on a provincial basis with problems which are national in scope.

Another important aspect of our affairs with regard to which amendments may be required in the future is lack of legislative power in respect to the implementation of international treaties. The federal power in this respect is seriously limited under the terms of our present constitution. Our successors—and perhaps some of us who are here today—may well find it necessary to amend the British North America Act so that Canada may have full power to carry out the international obligations it assumes.

These are merely illustrations of matters which might prove forever incapable of adequate solution on a national scale if the inflexible form of amendment to the constitution is adopted. We all agree that the present provision for the amendment of the constitution is inadequate and out of date. We know that the only way to amend the constitution of Canada today, with the exception of certain matters covered by section 91(1) of the British North America Act, is by act of parliament of the United Kingdom. As long ago as 1926 the famous Balfour declaration was made after a conference, a commonwealth conference—I do not know whether they were called commonwealth conferences in those days. This declaration stated that the dominions were autonomous communities within the British empire equal in status and in no way subordinate to one another. We agree that since that day continuing reliance on the imperial parliament has been both anomalous and humiliating.

However, this form of amending process has at least one good thing to be said in its favour: It is flexible in its nature. It is a false and unwarranted doctrine that the British parliament would not act to amend the Canadian constitution without the consent of all the provinces. One just has to look at the recitals to the various amending acts to which the hon. member for Royal referred to see that in each case the act was passed by virtue of a resolution or request from the Senate and the House of Commons of Canada in parliament assembled. There are no references to seeking the consent of any of the provinces.

Therefore, Mr. Chairman, I say that a suggestion that the British parliament would not pass any amendment to the constitution sought by the parliament of Canada is entirely without warrant; but—and this is the point I wish to make as clearly as I can—there is a grave danger that in removing this anomaly we will jump out of the frying pan into the fire. There is no reason at all why we should impose upon ourselves—and that is what we would be doing—the fetters of an unduly rigid amending procedure. The Fulton formula, as I see it, proposes this and even goes so far as to suggest that after we have locked ourselves up in this way we should throw away the key.

It is proposed that the amending formula, once it becomes law, can itself only be amended with the consent of all the provinces. I suggest that this is the doctrine of provincial rights run riot and it can only serve to destroy any truly workable federalism. After 100 years of living with a flexible

constitution, albeit one amendable in another country, are we, in the name of deliverance from national bondage, to impose upon ourselves absolute rigidity in regard to constitutional amendment?

It is my view, and I believe it is shared by a great many Canadians, that the pendulum is swinging too far toward the assertion of provincial rights. It is perfectly true that under our federal system provincial rights are vitally important, and there may still be many fields in which decentralization is important and required. I have tried to make it perfectly clear that in our view these fundamental provincial rights and minority rights should be entrenched beyond the possibility of amendment without the unanimous concurrence of all the provinces. But the imposition of a veto for every province upon constitutional amendment of any significance whatever would be a damaging blow to a truly workable federalism and Canada's status as a nation.

There are two other main observations that I would like to make. I would like to know who are the government's advisers on this particular matter, because I think they have been receiving poor advice. Has the government consulted those people in our universities, for example, who have made a study of amending procedures in Canada and throughout the world? I do not propose to detain the committee by analysing the amending procedures of other countries. I merely assert—and this I believe is a fact—that the particular form of amendment proposed in the so-called Fulton formula is unprecedented anywhere in the world.

I have examined the amending formula in Australia, for example, where after an absolute majority in each of the federal houses it must be submitted to a vote of electors in each state. If in a majority of states—let us say, four out of six—a majority of the voting electors approve and if a majority of all the voting electors approve, then the amendment will take effect. But the point is that this is far less rigid than the formula proposed for Canada; it is far less exacting. But even so, it has been complained of by many constitutional experts as being unduly restrictive in practice in Australia. I suggest, Mr. Chairman, that we should have some witnesses from Australia to tell us how their amending formula is worked.

In the United States of America amendment may be proposed by a two thirds vote of both houses and ratified by the legislatures of three fourths of the states or by conventions in three fourths of the states. I have mentioned Professor Bora Laskin, an eminent constitutional expert. He made a proposal which I suggest should be very seriously considered by the government, namely that with the exception of the entrenched clauses of the British North America Act which I have already mentioned, a proposal for amendment should become effective when initiated by a two thirds vote in the parliament of Canada and by a vote of the legislature in not less than two thirds of the provinces, provided the population of the approving provinces exceeds 50 per cent of the population of Canada. Such a formula would provide reasonable flexibility and at the same time ensure that amendments could not be made unless the general consensus across Canada approved of them. I have looked at the constitutions of West Germany and India; they likewise provide for a consensus rather than a simple majority, and they do not give to the smaller units making up the federations the right to veto constitutional changes.

The point which I wish to stress is that before any formula for amendment is adopted, the advice of experts should be listened to. I call the attention of the government and the committee to a resolution that was passed by the association of law teachers in June, 1961, when they were considering the proposed conference of attorneys general to establish procedures for the amendment of the Canadian constitution. They urged that the conference should be requested to establish a procedure for public hearings, at which submissions and representations on an amending procedure might be offered, and which would provide for investigation and report on other federal amending systems. They pointed out in their brief that this was a matter of fundamental importance to all Canadians; and I suggest it deserves to be considered, not with a hasty, hole-in-the-corner approach but should be afforded the widest possible publicity and the widest possible consultation with qualified people.

Lastly, Mr. Chairman, I wish to urge upon the government their responsibility in this matter. Constitutional reform in a great country such as Canada is not a matter of expedient policy at the moment; it is not something routine. Once it is adopted it is extremely hard to get away from. At the last conference a proposal was put forward by the federal government of the day which I have suggested, and others with more authority than I have, have stated, to be an unmitigated constitutional disaster. It seems to me that

this formula is a basic surrender on the part of the government of Canada to some exaggerated views on provincial rights.

At the former conference the government of Saskatchewan, advised I believe by Professor Frank Scott, the former dean of the law school of McGill and one of the foremost constitutional experts in this country, opposed this formula. The government of Saskatchewan has changed, and my view is that the government of that province is not now so well advised as it was previously. I suggest that it is the duty of the parliament of Canada and the government of Canada to ensure that in our haste to repatriate the constitution and end the anomaly of its control outside Canada we do not make the grievous error of hamstringing future Canadians in respect of their constitution. I believe it is high time that the government of Canada started to stand up for the rights of Canada as a whole and sounded a less uncertain note in respect of excessive claims of provincial rights. I suggest that this conference would be a very good place to start doing that.

The government should repudiate the so-called Fulton formula and produce something much closer to what I describe as the Laskin formula, although I am quite sure that Professor Laskin would be the last to claim originality or finality in his suggestions. I therefore urge that at the forthcoming conference the Minister of Justice, representing the government of Canada, do a number of things. I will list them, Mr. Chairman. (1) He should propose to the attorneys general a modified formula which would provide for the entrenchment of basic minority rights but would enable amendment in respect of other matters on the basis of a general provincial consensus. I have explained more in detail what I mean by that. (2) He should propose to the attorneys general of the provinces that simultaneously with the repatriation of the constitution there should be the incorporation of a bill of rights in the constitution; and (3) that he should urge upon the conference the adoption of the proposal of the association of law teachers, namely that there be adequate consultation and public hearing before any formula be determined. Only thus, in my view, will we be able to use the words of what I hope will some day be the official national anthem of Canada. Only thus will we in Canada and this parliament be able to say that we have stood on guard for Canada.

Mr. Valade: Mr. Chairman, could I ask the hon. member a question. I wonder whether he would elucidate this point of view. Does he consider the B.N.A. Act is a pact between the two founding nations, or an act which issued from a parliament which did not exist then?

Mr. Brewin: This is a matter very much debated, Mr. Chairman. I would say, legally speaking, that it is not a pact but an act of parliament. But certainly I concur in the view that it was an act which embodied the nature of a basic agreement between different parts of Canada and should be respected as such.

Mr. Valade: May I put another question. Does he not consider that the question of the future majority vote in the house is destroying precisely the spirit of the pact itself, which proves it was an act and not a pact? If you consider the argument of the majority vote, you are referring to the original pact as the act of a parliament which did not exist.

Mr. Brewin: I do not think the hon. member followed my proposal too carefully. I suggested that in addition to the two thirds vote of the parliament of Canada there should be the approval of seven out of the ten provinces representing at least 50 per cent of the population of Canada as a whole. I would point out to the hon. member that with that protection there would be reasonable flexibility; at the same time there would not be complete rigidity when any single province, no matter how small, could frustrate the general consensus among the people of Canada. I also hope the hon. member recognizes the point I made, that those fundamental rights with regard to education, religion, language and so on would be entrenched so that they could not be affected unless each one of the provinces agreed.

Mr. Valade: That is the letter but not the spirit of confederation.

[*Translation*]

Mr. Marcoux: Mr. Chairman, I regret that I am not able to make such a scholarly speech as the ones which we have just heard from the hon. members who preceded me and who are experienced jurists. However, I should like to say a few words, first in the name of my party, and then in my own name, as a citizen of the province of Quebec.

The position of our party concerning repatriation of the constitution is not yet quite definite, except that we are 100 per cent in favour of repatriation of this constitution and that we believe all the provinces are able, among themselves, to come to an understanding which will permit the realiza-

tion of this project in a friendly way and in a manner that can be accepted by the federal government.

Our party's attitude could be set out more specifically but, speaking as I do on behalf of our group, I shall limit myself to that statement of principle, because I am under the impression that we will have other opportunities this year to discuss this most important problem.

Mr. Chairman, a certain spirit was prevailing in Canada when, in 1867, a pact was signed by the various groups living in this country, but since we were not there, we do not know what that spirit was. However, anyone who does a little historical research will soon realize that it was some kind of spirit of compromise which was convenient for the parties concerned since, amongst other things, it enabled them to protect themselves against the immediate or remote possibility of invasion by the United States. The spirit which existed at that time must certainly have been such as I have just explained because, when things are considered logically, it is realized that, at the present time, Canada is a paradox, something irrational, anomalous and even absurd economically, socially and culturally. If Canada had wanted its own welfare, it could have made a decision at that time and I am convinced it would have decided to unite with our neighbours below the 45th parallel since, logically, it was an easy way to clear themselves of the prerogatives that had been granted their forefathers and which they had accepted. However, the citizens of the country decided otherwise. They decided to unite in a federation comprising various aspects which are considered more or less appropriate today.

If we listen to extremists, one side as well as the other, if we listen to those politicians who are interested in obtaining a vote rather than in settling a problem, it becomes obvious that the matter of repatriation of the constitution, just like the very existence of the confederation, is very complicated indeed. It should be divided into various points, but the participants always see it as a whole. Let me explain. The hon. member for St. Mary (Mr. Valade) asked if it was a pact between two nations, between two founding groups, or if it was instead a federal law governing a group of provinces. Well, in my humble opinion, what happened in those days does not matter. I feel that it would be in order to differentiate between the union of two nations and that of two ethnic groups, or of two founding groups or groups of provinces, which form part of this confederation. We cannot confuse both; we cannot say that the two equal groups must be dealt with on an equal footing. In my opinion, this is impossible from a human, geographical and even logical point of view. It is absolutely impossible to reach an understanding on a level of equality, because we are not equal.

On this point I would like to take issue with the comments the hon. member for Greenwood (Mr. Brewin) made when he spoke about Prince Edward Island. It is impossible to ask here that Prince Edward Island be treated on an equal footing with the rest of Canada. However, since the union of those provinces is a pact, or should be a pact, when the constitution is repatriated, or when it must be repatriated, then the provinces or the signatories of the pact must put forward their requests.

In the case of the province of Quebec, in 1864 and after that until 1867, when a confederation with the rest of the country was contemplated, the Quebec citizens were very reluctant, because they saw practically no advantage.

However, since it was at the same time a political action, the political leaders of that time decided to suggest a compromise which would be acceptable to the citizens of the province of Quebec as well as to the rest of the country.

That is why at that time mention was made of equality of languages, provincial control over education as well as a few other prerogatives granted to the provinces. Those were prerequisite conditions on the part of Quebec for a partnership in confederation.

If one considers the problem facing Prince Edward Island, one realizes that it was similar, without being identical. Prince Edward Island knew that because of its geographical situation and small population, it would be absorbed by the rest of the country if some particular points did not favour in a certain way, and perhaps at the expense of other areas of the country, the citizens of Prince Edward Island. In fact, it is only with the assurance and guarantee that those specific points would be granted them by the central government that the citizens of Prince Edward Island accepted to sign the agreement which resulted in confederation.

Mr. Chairman, I feel that one should not be, as suggested by the hon. member for Greenwood, a die-hard democrat. Specious arguments, such as the ones he advanced about proportional representation, should not

be accepted, because the same vital interests are not at stake. The vital interests of a province, or even of a city such as the one represented by the hon. member, may extend to a metropolis, a region, but when a country as extensive as Canada is concerned, one should not, in my opinion, confine oneself to the purest form of democracy, but to a logical argumentation liable to satisfy most if not all parties concerned.

Mr. Chairman, some time ago my opinion was sought on the concept of two nations. Even today a party colleague asked me the same thing. A few months ago, at the request of a newspaper representative, I wrote a brief article on this subject. It goes without saying that this is my personal opinion which may be shared, but not necessarily, by others. This is what I stated at that time:

> This opinion is held by those in the van and, according to the reaction of the Anglo-Saxon group, it might well be prevalent in a few years. Should it so happen, it would most surely meet with the approval of the majority of French speaking Quebeckers.
>
> As for me, I feel that both nations should be fully recognized on the federal level. With regard to the relations which should exist between the various part of Canada now called "provinces", I feel our concept of the matter should change.
>
> I could easily see, in order to foster economic integration, the forming of five zones which, for practical purposes, could replace the provinces. These new economic zones would be: the maritime provinces, Quebec, Ontario, the prairie provinces and the western provinces.
>
> It is only under conditions of this type that the concept of two nations across Canada could really be considered as a possibility.

It must be obvious, Mr. Chairman, that I make a very clear distinction between the different objectives sought, at the present time, by the various provinces in confederation.

I can quite understand why all Liberal members are sometimes astonished by the attitude taken by the province of Quebec. As a matter of fact, we from the province of Quebec are astonished by the attitude taken, for instance, by Premier Lesage, which is contradictory to the lines he defended when he was in this house and when he was fighting for a political party rather than for an ideology. As I said at the beginning of my remarks, I am convinced that today political interests have a more important bearing upon the opinions expressed by our leaders in Quebec than the specific interest of the province itself. At this moment it is great to be approved by certain newspapers, certain groups of intellectuals, certain pressure groups or even by extremists who are found mostly among teen-agers and students, who

are a political capital which must be tended to in view of an electoral campaign.

An hon. Member: A federal election campaign?

Mr. Marcoux: A provincial election campaign. However, when it comes to setting out clearly Quebec's needs and demands, it is often obvious that even politicians find it hard to explain them or at a loss to do so. That is why we, of the province of Quebec, sometimes witness reversals of opinion which can only be explained by a certain amount of political ambition.

These remarks are not intended as a criticism. It is just that the more experience I get about politics, the more I realize that one has to have a minimum of ambition to remain in politics. Be that as it may, when the problems involved are as consequential as the ones we are dealing with now, I feel that the people of Canada should at least be told about them so that they may form an opinion as to Quebec's demands.

Mr. Chairman, earlier the hon. member for Greenwood spoke about the unanimity of decisions as it is set forth in the so-called Fulton bill. I have here the Fulton bill which does not seem quite in agreement with the opinions expressed by the hon. member for Greenwood.

It is said in that bill, that under certain circumstances, in order to amend legislation existing at present in the provinces, or the legislation or privileges granted to those provinces by our constitution the agreement of all the provinces will be necessarily required.

Section 3 of part I provides that when a piece of legislation affects one province more than another, or affects only one group of provinces, excluding others, it cannot come into effect without the consent of the legislature of each province to which that provision applies.

In my opinion this is a very useful concession made to the provinces which would like to take advantage of it.

When he speaks of the majority of the provinces and of at least 50 per cent of the population, he is merely referring to section (5) of the same part 1 of the Fulton bill which states—I shall skip some of the details of the clause—that no law enacted under the present part shall be put into force without the co-operation of at least two thirds of the provincial legislatures, which represent at least 50 per cent of the Canadian population, according to the last general census.

Thus, Mr. Chairman, it seems to me that these guarantees are sufficient to enable all the provinces, including Ontario, to sign a new confederation agreement or to agree to the constitution being repatriated.

When he speaks of the rights of the minorities I do not know to what rights he is referring. As far as I am concerned I have never recognized, and I still do not recognize, French Canada or French Canadians as being a minority.

At this point I should like to quote an opinion expressed by Mr. Eugene Forsey, who happens to be very friendly with the group of the hon. member for Greenwood. He said this:

> The actual recognition of the French partner is the price we pay to preserve Canada and if the English majority is not willing to pay that price, it is because fundamentally it does not really want a united Canada.

Personally, Mr. Chairman, I endorse this statement of a prominent English speaking Canadian and I point out that as far as minorities are concerned, any minority might be mentioned except the French Canadians. French Canadians are not a minority group. As I said earlier, their group must be on the same footing as the other one on the federal and the cultural level, maybe not necessarily on the economic level, because this is a field that comes under provincial jurisdiction and does not concern the ethnic group itself.

But the ethnic group in itself is equal to any other group in Canada, it cannot be considered as a minority.

As I said a moment ago, Mr. Chairman, it seems that Quebec's position is somewhat contradictory. In certain cases, however, it should be recognized that its claims are well founded.

The French Canadian group should not be recognized as a minority, but it is. Let us say that there is a French group and an English group in Canada and let us consider both as such, irrespective of their number. One realizes that they form what could be called monolithic blocks. We have two groups with different aspirations, a different conception of problems, and the conclusions they draw from their arguments are also different. This means that of 19 million inhabitants, 14 million think the same way, consider problems from the same point of view, while on the other hand, 5 million consider problems from an entirely different point of view.

As it will always be the same thing and as the only protection that the French speaking people could have with regard to maintaining their way of thinking and the concepts they consider in their best interest, this group wants a written guarantee in the constitution to the effect that the majority will never be able to impose any decision against the will of French Canadians.

This would explain the claims made from time to time by the representatives of the province of Quebec.

But there has been some proof, even quite recently, that it was quite easy to get around those claims in a dialogue with Quebec. When, as was stated just now, it was a matter of unemployment insurance, old age pensions, student loans, some agreement was always reached at the end of a discussion, which was perhaps not quite constitutional nor in keeping with the policy established in 1867, but which seemed satisfactory to everybody, to every province, to Quebec as well as to the federal government.

To my mind the decisions taken at that time tend to show that the province of Quebec has an open mind and is ready to co-operate. But this open mind wants, none the less, to maintain the standards for which it has fought over the years.

As I said, the reason why Quebec does not so much want concessions, but written terms incorporated in a statute, is simply the wish to have an additional guarantee and to be more particularly assured that, even if the good people of this parliament should disappear, whichever government be in power and whatever the scientific and ideological training of those who will succeed them, this guarantee will always have a place in a legal text accepted by the parties to the covenant.

Mr. Chairman, when a pact is signed by two parties and one decides to change some clauses of that pact, if it is intended that the pact be redrafted and that an agreement be possible, this agreement must necessarily exist between the two contracting parties.

If, in 1964, the province of Quebec entertains aspirations and demands different from those of 1867, it has the right to say so and refuse to sign a new contract as long as its demands are not met.

That is the reason why separatism exists at present. It is because the people of Quebec think that, if the other contracting party will not accede to the wishes of the French Canadian group, the latter will not sign or renew a confederation pact. Consequently, it will withdraw from confederation, or rather confederation will be formed without the province of Quebec.

Mr. Chairman, I would not like to go any further today. I just wanted to try to explain

certain stands taken by the province of Quebec. I repeat, I am not speaking on behalf of my party but in my own name.

However, there is one thing which must not be forgotten and which I mentioned at the beginning of my remarks, namely that Canada is in itself a paradox, if we consider it in the light of the presence of the United States. It is a complete paradox. While trade patterns are usually from north to south we have decided that they would be, in our case, from east to west; we have decided, with certain difficulties, to control a certain part of our economy; we are trying our utmost to live in a state of nearly continuous heroism simply because we want to maintain our own entity.

I think this is normal, and it is a very good thing for this country, Canada, to continue in the same direction. Otherwise, it would only have to lean toward the United States.

If this paradox is accepted, then the one concerning French presence within confederation must also be accepted, and you must accept that, while it will cost a little more, while there are a few more annoyances, while it is necessary in certain cases to make the debate a little heavier, we must continue to accept this paradox. It is the *sine qua non* condition for a persistent confederation, and I think that it will be one of the only reasons which will allow the celebration of the centennial of our Canadian confederation.

Mr. Caouette: Mr. Chairman, I should be vexed with myself if I did not join at this stage in the debate announced on Monday by the Minister of Justice (Mr. Favreau), when he stated, as reported on page 8524 of *Hansard*:

> On Wednesday, in order to give members of this house an opportunity to express their views in respect of amendments to the constitution of Canada being made in Canada, I intend to have the estimates of the Department of Justice placed before the house, but only for that purpose.

He was referring in the end to the possibility of discussing the amending or repatriation of the constitution governing at present Canada as a whole.

While the Minister of Justice announced the business of the house last night, I studied a statement made by one of his good friends, François Aquin of the "Fédération libérale du Québec".

Mr. Boulanger: An old acquaintance.

Mr. Caouette: An old acquaintance, as the hon. member for Mercier (Mr. Boulanger), who is hiding behind the curtains says.

[Mr. Marcoux.]

The Minister of Justice, and the other members, became acquainted yesterday with Mr. Aquin's statement to the effect that he considers co-operative federalism as a formula to amend the Canadian constitution, a mere electoral "gadget".

Mr. Chairman, the Minister of Justice champions the cause of co-operative federalism in the province of Quebec. When he speaks on co-operative federalism to the workers in his constituency, the latter understands neither the "a", nor the "z", nor the "b" of it.

Mr. Grégoire: That is true.

Mr. Caouette: That is true. What is co-operative federalism—

Mr. Chrétien: And Social Credit?

Mr. Caouette: I hear my hon. friend from St. Maurice-Laflèche say "Social Credit". If he learned about it perhaps he would be reasoning differently from the way he is now reasoning in the strait-jacket put on him by the Liberal party.

Mr. Chrétien: Mr. Chairman, I rise on a question of privilege. What the member for Villeneuve has just said—

Mr. Caouette: Come now, there is no question of privilege.

[*Text*]

The Acting Chairman (Mr. Temple): Order; the hon. member for Villeneuve has the floor.

[*Translation*]

Mr. Caouette: Mr. Chairman, I do not think we have to be taught any lesson by anyone opposite; on the other hand, I could teach them one.

Some hon. Members: Oh, oh.

Mr. Caouette: Mr. Chairman, for many months we have been hearing so much about co-operative federalism that people in the east or in the west do not understand anything about it. I would be remiss at this stage if I did not put on the record the exact meaning of co-operative federalism, according to my interpretation and according to people who understand something about it.

Co-operative federalism would consist of federal-provincial plans at all levels of administration, at all levels of the Canadian economic activity, which means a participation of the provincial and federal governments to all kinds of plans, in such fields as health, highways, the trans-Canada highway,

the seaway, etc. Everywhere the federal and the provincial government would be involved. As far as I am concerned that is the meaning of co-operative federalism.

That is why Mr. Aquin was perfectly right when he said that co-operative federalism was only an election gadget.

And as my good friend the hon. member for Lapointe (Mr. Grégoire) just suggested, the minister of natural resources of the province of Quebec stated that co-operative federalism is the abortion of the French Canadian nation in Canada. I think that the Minister of Justice agrees with the minister of natural resources on that. It is a fact. This would be the abortion or simply the elimination of French Canadians in Canada.

As the hon. member for Quebec-Montmorency (Mr. Marcoux) just said, French Canadians of the province of Quebec are not asking anything from others. It is an actual fact and if our Anglo-Saxon friends are not aware of it, they will realize it by seeing us in action. They simply ask for the opportunity and the privilege to develop as they see fit. We are not asking the Prime Minister, the Minister of Justice or any other minister to grant us favours at the expense of others. No. We are simply asking for the right to act according to our views, our culture, our possibilities, our ability, in order to develop our part of the country called the province of Quebec, and nothing else.

There are always some sly ones who travel through Canada saying that Quebec wants to take away this or that from other provinces, that Quebec claims too much, and this and that, when they do not know the first thing about Quebec. As for us, we know what Quebec is. I am the first one to say, not only to the other provinces, but to my own province of Quebec, that if it is true that economically speaking we are lagging behind the other Canadian provinces, the English speaking people in Toronto, Winnipeg or Vancouver are certainly not to blame, and it is rather the fault of French Canadians in Quebec who, instead of serving their Canadian homeland, have been promoting partisanship ever since confederation in 1867.

[*Text*]

Mr. Howard: Hail Duplessis.

Mr. Caouette: My hon. friend says "Hail Duplessis". What does he know about Duplessis? He has never met him in his life because Duplessis is dead. My hon. friend may die in the same way.

Mr. Howard: I am sorry I met you.

Mr. Caouette: Listen to what I am saying and you will understand that the French Canadians in the province of Quebec are not asking you for any favours. We are just asking for justice for our province, as you are asking for justice for your province.

An hon. Member: He is narrow-minded; never mind him.

Mr. Howard: Do not get excited.

Mr. Caouette: Do not throw Duplessis into the picture; Duplessis is not here today.

[*Translation*]

Mr. Chairman, we have had enough of those ill-willed interjections neither intelligible nor intelligent, on the part of people who do not even understand what is going on in the province of Quebec as well as in the other provinces. I say to my hon. friend, who comes from British Columbia, that if there are people who have at heart the development of the province of Quebec, there are others also who care very much for the development of the province of British Columbia, in spite of the C.C.F. and socialism which prevent Social Crediters from working in this regard at the present time, but who nevertheless succeed in spite of all that.

[*Text*]

Mr. Howard: You had better get back to your text.

Mr. Caouette: Do not interrupt me, then, and I will get back. I do not need to have a text. I can tell you without a text exactly what I think of what you are saying just now.

[*Translation*]

For many years now, Mr. Chairman, we have been hearing about co-operative federalism from various members of the government. We also hear of the repatriation of the Canadian constitution. I wonder if the Minister of Justice knows where that constitution is hidden. Everybody has been searching for it during the last ten years but nobody can find it. Is it hidden on some shelves?

[*Text*]

Mr. Fairweather: It is under the table.

[*Translation*]

Mr. Rhéaume: Yes, under the table.

Mr. Caouette: Is it in the London parliament? We do not know, and in this corner of the house we say: why rack your brains in trying to repatriate something which has never been accepted by the Canadian people?

Mr. Chairman, let us leave the constitution where it is. Do we need to go to London to know what we the elected members of parliament, the representatives of the people, must or can do here in Canada? Let us ignore the old constitution of 1864 or 1867.

I would like here to draw the attention of the Minister of Justice on this point. Let us leave that constitution to England and let us elaborate a new Canadian constitution, one that will take into account the current economic, political and social facts in Canada, the possibilities, the potential at all levels, in all respects, in this country.

But no, instead of adapting a truly Canadian constitution to the needs of the time, for a number of years it has been proposed to repatriate a constitution with which nobody is acquainted. This constitution, which, after all, is only an act of the British parliament, was never submitted to the approval of the Canadian people, and today, everybody agrees, Conservatives as well as Liberals, members of the New Democratic party, members of the Social Credit party and we the members of the Ralliement Créditistes, that this act has become obsolete and even prejudicial to the economic development of our country, to its sovereignty.

Mr. Chairman, under this ancient constitution, the intrusion of the federal government in the fields reserved to the provinces has become intolerable. For instance, in the field of education, we saw recently the government introduce legislation intended to help university students through loans of $1,000 per annum for a period of five years. The federal government is trying to invade the field of education.

Where highways are concerned, there is the trans-Canada highway. Where agriculture is concerned, the Minister of Agriculture plans federal grants to the provinces, whereas the provinces themselves should handle their program of grants to help agriculture. And in many other fields of our economy, of our economic activity, the federal government tries to interfere to assert its authority as we have seen recently. That is why I maintain that instead of manipulating, I repeat "manipulating", a constitution which is unfamiliar to us, which is in London, we should let London play around with the constitution of 1867 and work out our own constitution of 1964.

On the other hand there are people like the prime minister of Quebec, Mr. Lesage, who state, as he did in *Le Devoir* of September 29 last, that, in brief, the two nations must be equal, and that the political framework of Quebec should be provided with all the means required to develop the French Canadian nation. Not to the prejudice of the English Canadian nation, no, but to give to Quebec economical and political standards and provide it with all the necessary means to ensure the development of the French Canadian nation.

[Mr. Caouette.]

Today, right-thinking people throughout the country accept such a solution, but Mr. Lesage stated yesterday, September 29: "It is too early to discuss changes to be effected to our constitution", while his colleague, Mr. René Lévesque said: "We are late", and his colleague, Mr. Aquin: "The Minister of Justice is presenting us with an electoral gadget" and Mr. Gérin-Lajoie maintains: "The time has come to amend the constitution."

Mr. Chairman, the premier of the province of Quebec stated yesterday: It is first of all a question of the French Canadians having a status equal in all respects to that of the English Canadians. Some people will surely object. I have met provincial premiers both in western Canada and eastern Canada who claimed: "Quebec is only one of the ten provinces." That is not the spirit of the confederation pact of 1867, which clearly set out the equality of the two groups who signed that pact the French and the English. In my opinion, French speaking Canadians have held up their end of the bargain. French should become a working language within the federal civil service and be taught everywhere one finds a French speaking minority. My English speaking friends must admit, regardless of party affiliation, that there are no such school, municipal or provincial problems in Quebec between the French and the English. In the province of Quebec, the English speaking people definitely form a minority, but they enjoy the same legislation, the same privileges and the same treatment granted to the clear majority of French Canadians. We have no trouble in Montreal, in Sherbrooke, in Quebec city nor in Rouyn-Noranda between both groups. English speaking Protestants and French speaking Roman Catholics get the same grants from the government. McGill University, proportionally, gets even more than Montreal university.

Mr. Chairman, there is no discrimination in the province of Quebec; why should there be elsewhere?

Why are attempts made elsewhere to disparage French Canadians from Quebec, when in Quebec, we do not discriminate against our English friends?

In my own constituency there is a large number of English speaking people. However, we do not quarrel and there is no discrimination against them. Why should it be otherwise in Ontario, Manitoba, Saskatchewan, Alberta, British Columbia and in the maritimes against French Canadian minorities?

When Mr. Lesage says: "To have French become a working language in the federal government and a language taught everywhere else where French minorities are found", he is voicing our hope.

In fact, for a long time now, three sessions, we have been claiming for the French minorities in the other provinces exactly the same treatment which is granted the English minority in Quebec.

According to *Le Devoir* of September 29, 1964, Mr. Lesage stated:

Second, French Canada demands a true decentralization of powers, of resources and of decision centres within the federal system: "Quebec, as I have often said (this is Mr. Lesage speaking), believes in the harmony created through consultation and discussion among equals, and not in the harmony which stems from uniformity imposed by an all-powerful central government.

No co-operative federalism, according to Mr. Lesage. I continue:

At the present time we believe that our political structures are sufficiently flexible, particularly if they are adapted to present circumstances, to enable all the means required for the development of the French Canadian nation concentrated within our borders to be centralized at the level of the Quebec government. These political structures, based on historic, geographic and economic facts, are sufficiently strong to ensure the continued existence of a country extending from sea to sea.

And Quebec will never avoid its obligations or the assistance it wants to give national understanding, to create a climate of national unity within the framework of our country, Canada. Quebec has never avoided its obligations.

Mr. Chairman, I have here the report of the Quebec economic advisory council. This report contains, not only concerning the province of Quebec but the whole country, a few directions concerning the Canadian constitution which, we hope, will be submitted to us as soon as the Minister of Justice will have conferred with provincial premiers or with representatives of provincial governments. In its report, the Quebec economic planning council expresses the following opinion:

The Quebec government has no control at present on certain important instruments of economic control.

(a) Currency; to the extent that economic activity depends on the existence of a universally accepted medium, such activity is under the exclusive control of the federal government. Since the central government has the authority to issue currency, (through the Bank of Canada, necessarily), or to control the variations of the money supply in circulation, it exerts a direct control on inflation (and on deflation at the same time) on the revalorization or the loss of value of currency itself.

The public or private debt of Quebec abroad, the long term commitments of Quebeckers to foreigners, may therefore change considerably, without the government of Quebec having anything to do with it.

We saw it illustrated when the authorities of the city of Montreal borrowed the amount of $60 million in the United States, in order to build a subway section. It is impossible to find the required financing within the limits of the province of Quebec, and then people come and tell us that this province is free.

I continue reading from the report:

(b) Customs tariffs: The government of the province has no right to keep a market for any industry by means of customs tariffs. On the other hand, the economic entity, which the province represents, may be seriously affected by the right exercised in this case by the government of Canada, for instance, where high tariffs protect an important product which is manufactured in Canada but which is not or cannot, for some reason, be produced in Quebec.

(c) Taxation: The constitution grants the province the right to collect only direct taxes. But this right also belongs to the government of Canada. The two governments share the tax potential with regard to their respective needs.

And that is where we can see the wonderful spectacle of double taxation in the province of Quebec.

And the report says further:

Historically speaking, the taxes collected by the Canadian government have increased much more rapidly than those collected by the government of Quebec, more particularly because of war, so that, at this time, the government of the province collects a minor part (16 per cent in 1962) of the total tax paid by individuals, and 22 per cent of corporation taxes, against 84 per cent and 78 per cent respectively collected by the government of Canada, excluding equalization payments. This distribution prevails, whereas taxes of all kinds have reached an unprecedented level, and its practical consequence is to freeze the freedom of the province of Quebec theoretically empowered to meet its needs directly. These needs exceed the revenues by far and are growing at a rate which increases steadily.

Mr. Chairman, as may be seen by reading the following article, the Creditistes are not the only ones to speak about credit control. In fact, the Quebec economic advisory council states in its report:

We are speaking here of the establishment of credit as an extension of the money instrument. To the degree where the economic activity depends on credit control by the Canadian banking system and to the extent where such a system is liable to

be controlled, such activity is influenced only by the action of the government of this country (Ottawa) on the banks.

Here, as in taxation matters, the views of the Canadian government are not necessarily attuned to the evolution of a given regional economic unit. Such consideration applies particularly to the province of Quebec, the rate of expansion of which should henceforth be accelerated in comparison to the rest of the country.

The government of the province of Quebec can, however, remedy its present lack of control on the economy by taking initiatives likely to help it or the province of Quebec develop.

Mr. Chairman, before concluding my remarks, and as I pointed out at the beginning, I should recall that the province of Quebec requests no favours from the others. But we, the members of the Créditistes, in the light of the social credit theory, have asked for a change, improvements or amendments to the constitution.

We proposed four points. First, that the control of credit be given to the province.

The Chairman: Order. I am sorry to interrupt the hon. member, but his time has run out. However, he may continue his remarks if the house agrees.

Mr. Caouette: Mr. Chairman, I need only two minutes.

Some hon. Members: Go on.

Mr. Favreau: Mr. Chairman, perhaps the house would agree to give a few minutes to the hon. member, so that he may conclude his remarks.

Some hon. Members: Agreed.

Mr. Caouette: Mr. Chairman, I am grateful to my excellent friends for allowing me to conclude my remarks. Besides, I shall be very brief.

I want to mention what the Ralliement Créditiste suggested on January 26, 1964, in the light of the principles of the Social Credit.

First, give back to the provinces the control of credit. If it is called branches of the Bank of Canada in each province, we are in favour, but let the Bank of Canada help the provinces, or the province, to the extent of the development wanted by the province.

Credit should not be a hindrance to the economic development of a province, whether it is Quebec, Ontario or any other Canadian province.

Second, control of foreign and domestic trade, of imports and exports, namely what we sell to foreign countries in raw or manufactured materials.

[Mr. Caouette.]

Instead of selling the province of Quebec iron ore or instead of giving it to the Americans, as we are now doing, why not process that product in a new steel industry, in a secondary industry which would be set up in the province in order to sell finished products to the Americans, instead of selling them a raw material which they process and sell back to us as a finished product? Thus, American workers are benefiting from the natural resources of the province of Quebec and of Canada as a whole.

That is why, Mr. Chairman, we should control our imports and exports to know what goes out of the province and what comes in.

Third, the return of fiscal rights—I see the Minister of Justice is taking notes—of direct taxation which in any case belong to the provinces. Let us give unto the provinces that which belongs to them. We know, and the Minister of Justice is also aware of the fact, that it was the war which brought us to accept the federal government's intrusion into provincial fields of taxation. The rights the provinces granted the federal government should have been given back to them right after the war in 1945, or 20 years ago, but the federal government are still playing around in fields of taxation which normally, and according to the constitution, belong to the provinces.

Fourth, control over immigration. This does not mean that Quebec should stop Ukrainians, Poles, Italians or Irish immigrants from coming into the province, not at all, but the thing is to know who is going to come to our province.

Quebec has citizens of Polish origin, Ukrainian origin, indeed, people of all nationalities which are the pride of our province. However, it is painful for us to hear someone say to a Ukrainian at Wolfe's Cove, in Quebec city: "If you wish to earn a living in Canada, you must learn English instead of French."

Personally, I was glad to learn English and I readily advise those who do not know the language to learn it, but I would say to any foreigner who comes to Quebec: Start by learning French, since it is the language of the majority in this province. Afterwards you may learn English as a third language." That would make me happy.

I wish to know who comes into Quebec and who moves out. A number of French Canadians from the province of Quebec have left their homeland and gone to the United

States and thousands of French Canadians are going to that country in order to earn a living.

Why, Mr. Chairman, are our people leaving this country to go to the United States? Because they find it difficult to earn a decent and honourable living in the province of Quebec.

Let us begin by creating economic conditions that will enable the Canadian workers as a whole, the Quebec citizens as a whole to earn their living in their own province, in their own country, in Canada. Then, I feel that we will have been very useful to our Canadian people, of whatever origin they may be.

I am saying this, Mr. Chairman, merely to state our position as regards the repatriation of the Canadian constitution, that has been in the dark since 1867.

We are in 1964 and in three years we shall reach 1967. As I said at the outset of my remarks—and I call the attention of the Minister of Justice to that point—let us forget about the old constitution and let us work out a 1964 Canadian constitution that each and every Canadian, of English, French, Ukrainian, Polish or Italian origin, will find it possible to earn a living in his country and to make Canada one of the most prosperous countries in the whole world.

An hon. Member: Carried.

Mr. Favreau: Mr. Chairman, I just heard someone say "Carried". I do not want to disappoint my own colleagues and members of my party; it was probably meant to be a joke. I simply wish to remind that today's debate is but the beginning of a general discussion on item 1 of the estimates of my department and that it will resume fully when the estimates will be again before the house, in a fortnight.

I wish to insist upon what I said earlier today; in view of the conference of attorneys general which will be held shortly, in view of the fact that I am president of that conference and also chief of the Canadian delegation, I do not think that it would be appropriate for me to take part in a discussion on this matter.

I wish to seize this opportunity to thank the hon. members who took part in today's debate. In clarifying and expressing the ideas which stem from their former research, they doubtless have given me and the cabinet some information which will help shape the policies of the government at the forthcoming conference.

[*Text*]

Mr. Douglas: Mr. Chairman, I wonder whether I could ask the minister a question before he sits down. What procedure does the government intend to follow with reference to these discussions with the provinces regarding the repatriation of the constitution? The reason I ask the question is that there has been a growing tendency during both last session and this session for the federal and provincial government to reach certain agreements and then for the federal government to bring them back to parliament. Members of parliament thus find themselves very much in the position of rubber stamps. These agreements have already been made and we are told from time to time that they cannot be altered because they have already been agreed upon with the provinces, and that it is impossible to go back to the provinces and ask them to change their position.

I think the minister is to be commended for giving this committee the opportunity today to express the views of the different parties with respect to the amending procedure in connection with the constitution, but will there be any opportunity for this matter to come back so that we know what is the thinking of the federal government, and what proposals they intend to pursue with the provinces? Or rather, is it the minister's thought that this matter will not come back to parliament until after an agreement has been signed, sealed and delivered, parliament then having no opportunity to do other than to accept or to reject it? It seems to me that this is placing parliament in a fairly difficult position, and I am wondering whether the minister can tell us what procedure he intends to follow in pursuing this matter of the constitutional discussions with the provincial governments.

Mr. Favreau: Mr. Chairman, I think I have fairly well stated the position which, at least at the initial stage of the conference, the government intend to take by limiting myself to a reading of the official communiqué issued by the Prime Minister and the premiers at the last conference in Charlottetown. It is quite clear that at this stage all of the parties, including the federal government, have agreed that the Fulton formula, as it has been called, Mr. Fulton being chairman of the conference at the time, which was achieved as a result of very serious and lengthy negotiations between the delegates of the provincial governments and the federal government, be accepted in principle as the basis for the discussions.

It is a known fact that in 1961 at least three of the provinces, for different reasons, stated that they did not wish to agree to the formula as reflected in the draft act submitted to them by their respective attorneys general unless they had an occasion to discuss the possibility of certain clarifications being made in respect of paragraph 1, section 91 of the British North America Act. All I can say at the moment is this, that these conferences have shown in the past that they are meetings where in fact a series of earnest attempts have been made to negotiate a formula for the repatriation of the constitution and subsequent amendment, which would be acceptable to the provincial and federal governments.

The conference which is called for Monday has been called for the purpose of attempting to finalize, or "suggest" would perhaps be more precise, to these prime ministers and premiers who will be reunited in a subsequent conference, a formula which might be acceptable to their respective governments. In other words, it is not the purpose of the conference of the attorneys general to finalize a formula and come to an agreement which would be a *fait accompli*. Certainly I am not authorized in that regard. Our mandate, as reflected in the communiqué of the Charlottetown conference, is to discuss the formula and then report on our discussion to the conference of the prime ministers, which will be called I believe for October 13, after the Queen's visit.

The prime ministers' conference, of course, is under the responsibility of the Prime Minister of Canada, and under his chairmanship, and I would prefer that any technical aspects as to procedures to be followed be discussed by him and reported on to the members of this house by him. If I were to state a procedure prior to the conference which I am charged with chairing, I think I would be exceeding the limits of my own function as the Minister of Justice. My only authority is to find out what are the suggestions, to attempt to be instrumental in arriving at a formula which I hope the conference will be able to report to the conference of prime ministers.

Mr. Aiken: I wonder whether I may be permitted to ask a further question, Mr. Chairman? This question was asked by the hon. member for Royal, but does the minister anticipate that this will accomplish anything beyond making the constitution a Canadian document? Is there any change in substance in the B.N.A. Act to be discussed at this time?

Mr. Favreau: As I stated a few minutes ago, certain provinces, particularly the province of Quebec, have stated that they wish to discuss possible modifications to section 91, paragraph 1 which, as you know, concerns the power of amending the constitution in Canada. That is the reason why certain governments would not accept the 1961 formula. I must say that this will be one of the factors involved in shaping the procedure of the conference. To date I have received no correspondence from the attorney general of any province concerning specific modifications which he has been requested to propose. I can visualize, therefore, that what will happen is what is common to this type of conference. Once the respective instructions given by the various provinces to their attorneys general have been set out at the opening of this conference, we will then know for sure what formula will be proposed. All of us in this house know that during these conferences various formulae are suggested at the commencement of the discussions, and then modified by the changing of a word or a principle. It is only after the conclusion of such a conference that we really are in a position to report on the collective position.

I should like to repeat, and I take responsibility for these remarks as being my own firm viewpoint, that it would be contrary to the best interests of such a conference, which was being carried out in earnest and with all frankness, that any of the parties should take a public firm position. It is my opinion that if the situation were otherwise it would be very difficult to have discussions which would proceed on a smooth basis and in a way likely to prove fruitful.

Mr. Aiken: Mr. Chairman, may I ask one other question? As I understood the minister, the only question beyond the formula that might be considered would be a question in respect of section 91(1), which in itself relates to amending the constitution. Would the minister agree with me that this is one subject he has mentioned, and really does not have anything to do with changing of provincial and federal powers, but merely relates to amending the constitution itself? I understand the conference will only deal with a procedure to bring the constitution home and will not discuss any matters of substance as between the federal and provincial governments?

Mr. Favreau: As my hon. friend knows in this respect, there are conflicting views as to whether or not section 91 (1) ought to be part of an amending formula, or whether or not it is part of an amending formula. I know these views have been well expressed in the past, but the hon. member will also remember that in 1961 Ontario and Quebec at least felt that this was part of an amending formula.

The Chairman: The hon. member for Edmonton West.

Mr. Lambert: Mr. Chairman—

Mr. Knowles: Would the hon. member permit me one question? May I ask the Minister of Justice if up to this point there have been any discussions, or whether it is planned to have any discussions, on the way in which the final act would be taken, provided agreement on a formula and agreement on repatriating the constitution are reached? If I may put my question in another form, is it planned that the final act giving us authority over our own affairs will be taken by the parliament of the United Kingdom or will it be effected by an enacting body in this country, or perchance both? I am not asking for a decision on the matter; I am asking whether this phase of the matter is being discussed.

Mr. Favreau: Mr. Chairman, I must be very frank and say that in view of the background of the conference I have not considered that this particular subject would be one to be discussed at the conference of the attorneys general, because my view is that the conference of attorneys general at least will be concerned exclusively with the contents of the amending formula and not so much with the procedure of repatriation. I know my hon. friend has very personal and firm views on the possibility, once an amending formula has been devised, of making some kind of declaration or taking some kind of legislative action in parliament to state that henceforth this is the constitution of Canada. If I were to state my own personal views at present on this point I would say that I think it would be preferable that that particular thing be done as the last and final amendment to the constitution by the United Kingdom parliament, the authority which originally enacted the constitution as a statute reflecting an agreement between the provinces, rather than doing it the other way. But I must say I am very ready to consider the matter and to raise the point at the conference as it has been raised by my hon. friend. This once more goes to show how useful these discussions are.

Mr. Lambert: Mr. Chairman, my short intervention this afternoon will not be made under any pretence of being an expert in constitutional law. While the discussion this afternoon has been inhibited from the point of view of a free exchange of ideas by the fact that the Minister of Justice indicated that he felt it would be rather difficult for him to disclose the bargaining position of the federal government at the forthcoming conference of attorneys general at this time, yet there have been indications of some ideas from the other side of the house. I do not think the debate has been as full as one would have hoped, and I think the minister will agree with me that if ideas have been advanced it has been a rather one-sided affair. After all, the present situation has prevented a free flow of ideas and to this extent the circumstances surrounding this afternoon's discussion are relevant.

With regard to what the hon. member for Winnipeg North Centre has said, it seems to me that this is only one more indication that we are far from being out of the woods in this connection. I think the best that can be said of the Charlottetown conference is that there was agreement on the desirability of repatriating the Canadian constitution, provided an appropriate formula could be found, and I put it to hon. members that the forthcoming conference is designed precisely for that purpose. In other words, its purpose is to find a vehicle or formula whereby there will be complete agreement on the formula under which the constitution may be repatriated.

But there is a further stumbling block, and I use that term perhaps because of a deficiency of our language. However, one of the obstacles or stages in the repatriation of the constitution involves the precise point raised by the hon. member for Winnipeg North Centre as to what the method shall be as distinct from the formula, because there again there may be opportunity for disagreement. I hope not, but certainly we must not go into this matter starry-eyed and oblivious of certain of the pitfalls that surround such a difficult course of negotiations.

As I said, I feel that so far there has been a generally expressed desire to repatriate the constitution. There are two points of view. One is that we will get it home and then we will discuss the situation afterwards. In other words, it is said that the big objective is to

get the constitution back in Canada and then we will look around and see what changes have to be made. This course has certain inherent dangers in that if the formula for amendment is not worked out beforehand and the constitution is brought home to Canada we may find ourselves, as has been said rather frequently, in a strait-jacket with no possibility of movement. I think it is also conceivable that consent to import or repatriate the constitution may be made a bargaining point with regard to the price for certain changes advanced by certain of the provinces. I say certain of the provinces, but the federal government might also be in the same position.

After all, so far most of the emphasis has been placed on changes to be insisted upon by one segment of Canada, the province of Quebec. I deny that emphasis because I think the situation goes far beyond that. In the evolution of Canada to the mid-1960's I think we have failed to recognize that in far too many sectors of the country there has been an evolution into regional developments, and in my opinion it is a mere illusion to think that we will be able to fashion a project of law that will affect all regions equally. There are regional interests, and when one province insists it is not a province like the others I say yes, but so are others different too. This is becoming more and more so. I suggest to hon. members that this is occurring in the evolution or the growth of this nation. Our coasts run from between 400 or 500 and 5,000 miles. I must not forget my hon. friends from the Northwest Territories and the Yukon. I am sure they are going to have some pertinent questions to put to the minister as to where they are going to fit into this picture on the repatriation of the constitution. We must remember that we come from existing provinces, but these hon. members come from potential provinces and I think they have a right to be heard at this time. These regional changes must be taken into account. I think allowance must be made for them. Anyone who denies them, I think, has a rather parochial outlook in so far as the development of Canada is concerned.

Now, I do not want to go into any discussion of the merits, demerits or difficulties connected with any of the proposed formulas. Reference has been made to the so-called Fulton formula, which has certain proponents in this house as well as critics, such as the hon. member for Greenwood. However, I leave that to people who have made a deeper study of constitutional law.

[Mr. Lambert.]

However, there is one point in connection with the relationship between the federal government and the provinces, and between the provinces themselves, which should be discussed when these changes which must be made are discussed. I refer to trade barriers. I would put it to the minister that I think this is going to be part of the price of the conference, if not this one then the next one or possibly the third conference, before we are in a position to say that we have agreed. This is something which is becoming much more pronounced and is something which I consider to be, if not a breach of the letter, certainly a breach of the spirit of the constitution. As I have said, I refer to infringements on the free flow of trade between provinces. We have seen all sorts of incidents of this type, and they are always put on a special basis. There are always laudatory motives and good reasons such as the encouragement of industry.

I would put it to hon. members, however, that in so doing these provincial administrations—and this goes for municipal administrations as well—frankly are in breach of the spirit of the constitution in that they are imposing, perhaps not directly, but some of them almost directly, barriers to the free flow of trade between the provinces. I am not going to name names or I am not going to cite particular incidents because this would identify these so-called governments. There are practices such as allowing certain bonuses to tenderers if the products are made in certain provinces or if the tenderers are operating businesses within a province, and I think those practices are wrong from the national point of view. All you are doing is gouging out your neighbour's eyes, and hoping that you will profit thereby. I do not believe you are the gainer. You may be the temporary gainer, but if your neighbour loses his eye in the process what gain have you made, if both of you are united in a common cause for the development of this country? I cannot see it. These practices are being multiplied left, right and centre. I for one cannot see how by the manipulation of sales tax levels, credits and perhaps some other proposals for certain incentives under the corporate income tax within a province, we are going to benefit by trying to take away from one province for the benefit of another. Certainly, the robbing of one brother by another does not lead to any advantage.

I thank you for your indulgence, Mr. Chairman, in allowing me this digression. I wanted to put this on the record because it has been

a very distressing development in our interprovincial and federal relationships over the past three years. If there are any changes to be made in the constitution, if there is a price to be paid for this repatriation, then I would suggest that one of the changes that might be made would be the reaffirmation of this freedom of interprovincial trade. There should not be tolerated any direct or indirect barriers to trade flowing within the country and we should do away with these narrow, regional interests which, frankly, lead only to divide our national purpose.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, I do not wish to make a speech. I should simply like to put a question to the Minister of Justice. I would like to ask him whether it is the government's policy or whether he believes it would be easier to find an amending formula for the constitution after its repatriation, or if it would be just as easy to find such a formula after it is repatriated? Would it not be the first thing to do? First, repatriate the constitution and then try to find an amending formula?

Mr. Favreau: Mr. Chairman, if you wish to have my personal opinion—and I know that some disagree—I think that in order to protect the guarantees throughout Canada, some provinces do not have the same protection nor the same guarantees which certain provinces demand. In my opinion, it would be advisable to devise a formula to amend and repatriate the constitution adopting such a formula at the same time.

I think that we must first of all find an amending formula, proceed to the repatriation of the constitution, and include the amending formula therein.

[*Text*]

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the house leader the business for Thursday and Friday.

Mr. Favreau: Mr. Speaker, the business of the house for Thursday and Friday will be substantially what has been announced. There will be a slight modification which I am about to announce. We will begin with the estimates of the Department of Trade and Commerce. We would then take the estimates of the Department of Citizenship and Immigration, then those of the Department of Mines and Technical Surveys, followed by those of the Central Mortgage and Housing Corporation.

If there is some possibility of making an arrangement through the house leaders we may begin tomorrow with the motion to refer the question of the water levels to the committee on forests and waters so that this committee may begin its work as early as possible. I repeat, this will depend on whether an arrangement can be made.

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

20220—545

HOUSE OF COMMONS

Thursday, October 1, 1964

The house met at 2.30 p.m.

DEFENCE

Fourth report of special committee on defence—Mr. Hahn.

FISHERIES

NORTH PACIFIC TREATY—REPORT ON NEGOTIATIONS

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, hon. members will recall that when the estimates of the Department of Fisheries were before the house last week I promised that at the conclusion of negotiations which were taking place here in Ottawa among Canada, Japan and the United States for the revision of the north Pacific fisheries convention I might be able to make a statement to the house.

At the opening session of the Ottawa negotiations I expressed the hope on behalf of the Canadian delegation that this third meeting of the parties to the international north Pacific fisheries convention would resolve the remaining differences and would culminate in a successful conclusion of the protracted negotiations. Three weeks of uninterrupted negotiations have brought the parties very close to agreement, but it has not been possible to reconcile all the remaining differences, and the delegations have agreed to a recess in the discussions in order to study and recommend to their respective governments other approaches to the unsolved problems.

We had hoped that final agreement could have been reached for the revision of the existing convention which, of course, continues in force but which may be terminated upon 12 months' notice by one of the parties. At the same time we realize that the problems with which the delegations have been faced are very complex, and that all must be solved before agreeing on a convention which we hope will remain in force for many years. The frank and co-operative attitudes of the delegations have permitted much progress and encourage us to hope that we shall reach agreement at our next meeting.

I should like to give, for the information of the house, a very brief résumé of the Canadian position. The salmon runs to our streams are of the very highest importance to the fisheries of Canada's Pacific coast. We believe that through scientific study, strict regulation and positive fish culture methods we have maintained these stocks which would otherwise have disappeared. We believe that the salmon resource can be greatly increased by the application of scientifically based techniques which are now emerging. But this maintenance and increase of the runs require not only that we continue our intensive efforts in research, regulation and culture, but that we also continue, at considerable cost to our economy, the protection of our rivers from other uses which would make them unsuitable for salmon. To justify all these costs of maintaining and, we confidently expect, increasing the salmon resources the benefits must accrue to the Canadian economy.

During the past three weeks much progress has been made toward agreement which would meet our needs in an acceptable manner. It seems that, on the one hand, the basis for the Canadian position is now well understood and is given sympathetic consideration. On the other hand we realize that recognition of our special interests must be contingent on continuation of our special efforts to maintain and increase the salmon stocks and on continued full utilization by our fishery, and that the situation must therefore be subject to review by the commission established by the convention. We have been very close to agreement which would embody these essential points.

The greatest unsolved problem is concerned with conservation measures for those stocks of North American salmon which now are fished on the high seas. Although the problem applies especially to sockeye of Alaska origin, Canada has a potential interest in a solution which could be applied to other stocks fished on the high seas although to a much more minor degree. We are also concerned by the growing scientific evidence that the high seas fishing of salmon stocks which are intensively fished inshore may be wasteful.

It appears that we are close to agreement on a formula which would be acceptable in so far as the major halibut producing areas are concerned. This formula would recognize the long history of research and regulation by the international Pacific halibut commission on behalf of the governments of Canada and the United States, and the resulting successful restoration and maintenance of the important halibut fishery. We had hoped that similar protection could be extended to other areas where the stocks have been the subject of similar study and regulation and are utilized by our fishermen. This must now be a matter for further discussion.

Regarding herring, we hope that a satisfactory solution can be reached as herring is not of significant importance to Japan.

To conclude, I am satisfied that the Canadian delegation, to whom I am very grateful, has put forward its best efforts to bring about agreement which would provide the greatest measure of protection to those Pacific coast fisheries which are the mainstay of our fishing industry in British Columbia. I am also encouraged by the valuable progress that has been made toward the solution of the remaining differences, and hope that these may finally be reconciled at the next meeting.

Hon. J. A. MacLean (Queens): Mr. Speaker, no doubt the house listened with interest to the rather lengthy statement of the minister on this very important subject. I regret that it was not quite as reassuring as we might have hoped it would be, because it is obvious that agreement has not been reached as yet on terms under which the north Pacific fisheries treaty could be extended for another lengthy or indefinite period of time. The minister neglected to say how long this recess in negotiations is going to be, but I hope it will not be too lengthy and that negotiations can be recommenced at an early date.

The problem is, of course, that there is a conflict of interest between Japan on the one hand and the United States and Canada on the other, because Japan depends on high seas fisheries and has very few streams which contribute anything to the stocks of salmon which are commercially exploited in the north Pacific. I would hope that the Canadian delegation, as they no doubt did, pointed out to Japan the possibility of Japan developing artificial spawning beds and other means whereby that country itself might make a worth-while contribution to these stocks of fish, based on methods that have been developed in Canada.

We will look with interest to the reconvening of negotiations on this treaty, and we assume there will be no possibility of any of the parties giving notice that they intend to withdraw. The minister did not specifically say so, but we would hope that these negotiations will be reconvened at an early date and that a satisfactory agreement will eventually be reached.

Mr. Frank Howard (Skeena): Mr. Speaker, I am sure it will also be recalled that at the time the minister's estimates were before the house we predicted that there would be a postponement or delay in the progress of the discussions and that for a number of reasons, possibly the pending election in the United States, there would not be a desire to announce anything bad arising out of the discussions. I hope we are wrong. I hope our fears will not be borne out when the talks are reconvened, and that the results of the resumed negotiations will be beneficial.

The minister's statement as I heard it was very revealing in that he made no reference whatever to the abstention principle contained in the present treaty. This was the basic point of the treaty negotiated in 1953, namely that Japan would abstain from fishing for certain fish in a certain area of the Pacific ocean. Japan, of course, has objected to this, and it is the main obstacle to the course of orderly discussions that might lead to an agreement. I interpret the minister's failure to make any reference to the abstention principle to mean in effect that perhaps Canada has relaxed what the minister called the firm position of the government in these negotiations, and that if we finally get a treaty we may very well end up with one renegotiated in such a way that the abstention principle is watered down or adulterated or not referred to at all.

As the New Democratic party has consistently pointed out, there is no doubt that we must approach our high seas fisheries from the point of view of international cooperation to conserve those fisheries in order to ensure that fish remain for future generations, and to ensure that exploitation is carried on within limits prescribed by the principles of a scientific approach to conservation itself. It is also a fact that Japan is not the only nation bordering upon the Pacific ocean that fishes in those waters. The Soviet union has an almost rapacious demand for fish products, and in the past few years has expanded tremendously its fishing oper-

ations beyond the area close to their shores where it has traditionally fished.

I would reiterate the vital importance of this matter. To go back to the time before this government were elected to office, they promised that Russia would be drawn into the treaty. It is vitally important to make some approach to the Soviet union to ask that country if they will take part in the next negotiations, even if only in the capacity of an observer. I say this because it is important to have an international agreement among all the nations that are exploiting this particular fishery; and unless Russia does come into the treaty we could very easily see all our efforts toward conservation come to naught because of the expansion of the Soviet union into the high seas salmon fishery.

We shall look forward with great interest to the resumption of these discussions, even though the minister neglected to say when they would be resumed. We hope they will be resumed at an early date and will proceed rapidly to a successful conclusion.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we hope the length of the negotiations that have been carried on is an indication of the desire of the Canadian delegation to safeguard Canada's vital interests at all costs. I would not like to think it is an indication of failure. I prefer to think of it as showing that the minister and the Canadian delegation are determined to maintain our position and insist on the safeguards we have enjoyed in the past.

So far as the west coast is concerned, this is a matter of tremendous importance. The minister is aware of all the representations that have been made on this matter, and though he made no reference to the abstention principle that is included in the present treaty, I trust that at least the idea of it will be carried out even if it is not stated.

We in this party also regret that the statement has not been more conclusive and definite, but we look forward to the resumption of these talks in the not too distant future in order that these problems may be ironed out and a satisfactory agreement signed.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, we have listened attentively to the remarks of the Minister of Fisheries (Mr. Robichaud) with regard to international agreements between Canada, Japan, the United States, and probably with other countries later on, concerning fisheries in the Pacific.

On behalf of our group I hope similar arrangements will be made for the Atlantic so as to assist the fishermen of the eastern provinces and to find international markets for their products, which will enable them to enjoy the advantages our western fishermen are now enjoying or will be enjoying in the near future.

So it is our heartfelt wish that the Minister of Fisheries will look after our eastern fishermen as energetically as he is looking after our western fishermen at the present time.

[*Text*]

[*Later:*]

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I should like to ask the Minister of Fisheries whether he is able to say when the negotiations to which he referred will be reconvened, and where.

Hon. H. J. Robichaud (Minister of Fisheries): I am not in a position to say definitely at this moment when the meeting will be reconvened, but the United States delegation has expressed the hope of its government that the next meeting be held in the United States at a time and place to be determined by the three governments concerned, and I know the three delegations are hoping to meet at the earliest possible date.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NATO SECRETARY GENERAL

Mr. Speaker: I am sure hon. members will not object if I break into these proceedings in order to point out that we have in the Speaker's gallery a most distinguished visitor in the person of Signor Manlio Brosio, the newly appointed secretary general of the North Atlantic Treaty Organization.

Some hon. Members: Hear, hear.

Mr. Speaker: At four o'clock this afternoon in the railway committee room all hon. members who are free to attend are cordially invited to come, meet and hear Signor Brosio speak.

LABOUR CONDITIONS

MEASURE RESPECTING HOURS OF WORK, MINIMUM WAGES, ETC.

Hon. A. J. MacEachen (Minister of Labour) moved for leave to introduce Bill No. C-126, respecting hours of work, minimum wages,

annual vacations and holidays with pay in federal works, undertakings and businesses.

Some hon. Members: Explain.

Mr. MacEachen: The purpose of this bill is to establish a national minimum wage of $1.25 an hour, a standard eight hour day and forty hour week, annual vacations with pay and seven statutory holidays for works under federal jurisdiction. The short title of this bill is Canada Labour Standards Code. It breaks new ground in the field of labour standards not only in Canada but on this continent, I believe.

Motion agreed to and bill read the first time.

PRIVILEGE

MR. KNOWLES—TIME SPENT ON QUESTIONS ON ORDERS OF THE DAY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a question of privilege. I do so entirely on my own responsibility, but I believe that members generally will agree it is a point of privilege and that it concerns all of us as members and that it concerns the house itself.

On April 20 of this year the house, by unanimous decision, adopted certain provisional standing orders and certain guide lines respecting the asking of questions on orders of the day. The immediate result of that decision of the house on April 20 was that for the first few weeks that followed we cut in half the amount of time we had been taking with respect to questions on orders of the day. I think members will agree also that during that period not only did the asking and answering of questions take a shorter period of time, but it was a crisper and better period in every respect.

In recent weeks, however, to put it mildly we have been slipping. I have been keeping my own records, and I have checked with those who keep the official records. We are just about back to where we were before we made the changes on April 20. I have been tempted several times in the last couple of weeks to raise a point of order during the question period because I felt a certain member was abusing the rules by his question or a certain minister was abusing the rules by his answer. However, it really does not help to solve the problem by intervening in that way. I have therefore taken this opportunity to raise this point of privilege.

I suggest that both the house and Your Honour would like us to get back to the position we achieved immediately after April 20. There is no point in trying to put blame on particular persons. I think in the first place the responsibility and blame rests upon us as members, and that includes all of us. In the second place, I think Your Honour would not mind if I were to say that you have not been clamping down in recent weeks as you were immediately after April 20. You have been reluctant to enforce the rules and the guide lines which the House of Commons placed in your hands. Therefore, on this question of privilege, I believe the house would welcome Your Honour applying more strictly the rules and guide lines we gave you. We would welcome it if they were applied to party leaders and backbenchers alike; we would welcome them being applied to those who ask questions as well as to those who answer them.

Hon. Gordon Churchill (Winnipeg South Centre): On this question of privilege, which I think is not a question of privilege at all, I should like to say that if each member of this house is to give instructions to the Speaker I would be inclined to suggest that questions of privilege should be valid questions; otherwise they should not be raised.

I do not see in what way this can be interpreted as a question of privilege. Had the rights and privileges of members been interfered with, there might be a question of privilege involved; but all the hon. member has done in this instance is draw attention to what he calls a question of privilege in an attempt to place the house in a straitjacket, according to his ideas, and restrict the privileges of hon. members to ask questions on the orders of the day. We have that restriction applied on Wednesday of each week and Mr. Speaker has rather carefully followed that rule. On the other days there has been no restriction imposed. It is only the hon. member's own opinion that conditions are less favourable now than they were in the last ten days of April; it is not an opinion shared by other hon. members of this house.

I suggest to you, Mr. Speaker, that if we are to have bogus questions of privilege raised, as this one is, this destroys the effectiveness of the House of Commons. I think people who are raising questions of privilege of this nature should make very sure in advance that they have valid questions of privilege; otherwise I think the hon. member should be interrupted in the course of his remarks, which he has used on this occasion

just to promote an idea that may reside within his mind and that of some of the members of his party, namely that restrictions should be placed on the House of Commons. The restrictions might very well start with the hon. member himself and members of his party.

VETERANS AFFAIRS

REQUEST FOR INCREASES IN PENSIONS AND ALLOWANCES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask a question of the Minister of Veterans Affairs based on a widespread demand expressed in correspondence I am receiving from veterans who, because of the rise in living costs and rentals, are asking for a needed and desirable increase in disability pensions and war veterans allowances. Would the minister, for the benefit of the house and also for veterans generally who are asking for this, let the house know whether at this session action will be taken so that those receiving these pensions and allowances may enjoy something of the increase that has come to so many in various positions in the last 17 months?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I think at this moment I am not prepared to go any further than I went when I was asked this question a few weeks ago. I can say it is my hope that some time during the course of this month I will be in a position to bring forth recommendations with respect to pensions.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, may I ask the hon. minister a supplementary question? Does he know that the veterans of the first world war receive only $48 a month as a pension or allowance, and could he tell us if he is now studying the opportunity or possibility of increasing this pension to at least the present amount of old age security in Canada?

Mr. Teillet: Mr. Speaker, in reply to the hon. member, I should first like to say that the first world war veterans' pension is not limited to $48 a month. Pensions are based on the degree of disability suffered during military service, and there is no discrimination between the two groups, namely that of the first world war and that of the second. As for allowances, they are based mainly on the financial status of the veterans concerned. I could add the same answer I gave a moment ago to the hon. Leader of the Opposition (Mr. Diefenbaker), to the effect that this question is now under study and that I hope to be in a position to report on it soon.

[*Text*]

THE CANADIAN ECONOMY

REPORTED STATEMENT BY INDUSTRY MINISTER RESPECTING EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Prime Minister whether his attention has been drawn to the statement made by the Minister of Industry in a speech yesterday in Montreal, in which he said:

> —the Canadian economy is not growing fast enough to provide sufficient employment opportunities for the growing labour force.

In view of this statement by the minister, and in view of the fact that for the second quarter of this year the gross national product, in real terms, has not increased—as a matter of fact, in the non-farming sector it has decreased slightly and at the end of the six months' period of this year the international deficit on non-merchandise account was $518 million, an increase of $86 million over the same period in the previous year—I ask the Prime Minister whether the government intends to bring down any specific legislation to deal with the problem which has been so graphically outlined by the Minister of Industry.

Right Hon. L. B. Pearson (Prime Minister): There is, of course, a good deal of legislation on the order paper. In so far as the particular question is concerned, I have not had the opportunity or the pleasure of studying the text of my hon. friend's speech. I will be glad to look into it and read the observations which my hon. friend has made, in the context of the rest of the speech.

STEPS TO IMPROVE CONDITIONS IN MARITIMES

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): I have a question for the Minister of Labour. In view of the remarks that were made recently in Halifax by Mr. Dodge of the Canadian Labour Congress to the effect that poverty and destitution down east are twice

as serious as in central Canada, and now that the minister is moving with other departmental legislation, can he tell us if there would be any measures that might help correct this situation in the near future?

Hon. A. J. MacEachen (Minister of Labour): When the house has taken action on this particular bill which will make some contribution to the solution of the problem, then we may be in a position to bring forward other measures.

Mr. Bell: Specifically, and in a supplementary way, may I ask the minister whether he or his colleagues have under consideration changes in the method of encouraging industry which has been criticized so much by many organizations such as APEC, and which certainly is not working out in the way it was intended.

Mr. MacEachen: Mr. Speaker, as has been stated by the Minister of Industry, the area development system designation is presently under review with the expectation that changes may be made to make even more effective than it is at the moment.

[*Later:*]

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I have a supplementary question to the one asked by the hon. member for Saint John-Albert. Has the Minister of Labour received a report yet from the Atlantic development board in regard to the unemployment situation in the county of Pictou? Has he referred this matter to the board, on the recommendation several months ago of the New Glasgow and district labour council?

Mr. Speaker: These are questions for the order paper.

EXTERNAL AFFAIRS

CYPRUS—AGREEMENT WITH RUSSIA RESPECTING MILITARY AID

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Secretary of State for External Affairs. In view of the agreement that has been signed by the foreign affairs minister of Cyprus with the government of Russia, and the anti-NATO overtones which have accompanied its reception in Cyprus, can the minister today give us any more information as to the terms of this agreement and what effect it will have on our own relations in Cyprus in the peace keeping operation?

[Mr. Bell.]

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this question was asked yesterday. I can simply say that although I have had an opportunity of seeing a summary of the communiqué, I have not seen the full text. It seems to be contrary to the spirit of the security council resolution of March 4, and it may be in violation of the treaty of 1961, but I would not want to give a final opinion.

CANADIAN BROADCASTING CORPORATION

ALLOCATION OF TIME TO SMALLER OPPOSITION PARTIES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I direct a question to the right hon. Prime Minister?

Is the Prime Minister aware of an offer that has been made by the Canadian Broadcasting Corporation to the leaders of the smaller parties in the house for some broadcasting time on the television network following the allocation of time of the Liberal and Conservative parties? Does the Prime Minister know that this offer has been withdrawn by the C.B.C. within these last few hours, thus depriving the leaders of the smaller parties of broadcasting time after it had been offered to them?

Does the Prime Minister intend to intervene in this matter?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Of course I am aware of the offer, Mr. Speaker, because it was given to the house last week, I think, by the Secretary of State. I am certainly not aware that the offer has been withdrawn, and I will be glad to look into that matter.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I rise on a question of privilege. In order to be perfectly fair to the C.B.C. I would say that the offer was made and as far as I know was not withdrawn. I understood that the hon. member for Villeneuve had declined to take part, and I notified the C.B.C. yesterday that I would not take part if it were to be restricted to a discussion of the flag question, since this matter has been sent to a committee. Speaking as far as I am concerned personally, to be fair to the C.B.C., the offer was not withdrawn. I for one said I was not prepared to take part in it with

this restriction of the discussion being limited to the flag question.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in relation to the question of privilege raised by the hon. member for Burnaby-Coquitlam, I must inform the house that last week Mr. Taylor of the C.B.C., informed me that a thirty minute period would be granted the three leaders of the third parties, which meant six minutes for each leader once the question had been asked.

Last week I received a telephone call from Mr. Benoît, an official with the French network of the C.B.C., who made me the same offer. And this morning the same Mr. Benoît telephoned my office to tell me that this offer of thirty minutes had been withdrawn.

Mr. Speaker, in my opinion it is absolutely unfair to grant us three only thirty minutes while the Prime Minister and the Leader of the Opposition each got thirty minutes. I told the representative of the C.B.C. that I would accept a period of fifteen minutes, but that I would decidedly not accept a period of only six minutes.

[*Text*]

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. I do not intend to make this a debate, but I think in fairness to the C.B.C. something should be said. I am one who is often most critical of the C.B.C., and I also agree that this offer was not exactly a fair one. On the other hand the C.B.C. did consult me and I would substantiate the remarks of the hon. member for Burnaby-Coquitlam that the offer was set aside because it seemed that any talk on the flag issue was irrelevant at this time.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Grégoire: A supplementary question, Mr. Speaker.

[*Text*]

Mr. Speaker: Order. This discussion is out of order. This question is becoming a debate.

QUALITY OF FILM PRODUCED BY INTERVIDEO LIMITED

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Secretary of State a question regarding the "Mr. Pearson" film produced by Intervideo Limited and Richard Ballentine. Would the minister inquire from the C.B.C. whether the half hour film shown on the C.B.C. last night at 10.30, produced by Intervideo Limited and Richard Ballentine, showed adequate technical competence?

Hon. Maurice Lamontagne (Secretary of State): I will, Mr. Speaker.

VANCOUVER—POSSIBLE USE OF FORMER R.C.A.F. BASE

On the orders of the day:

Mr. Barry Mather (New Westminster): I have a question I should like to ask the Minister of Northern Affairs and National Resources, notice of which I have given. The question relates to the current discussions between the C.B.C. and the Vancouver parks board as to who is to control the former air force buildings and land at Kitsilano. Is consideration being given to a compromise which could see the C.B.C. occupying the buildings for a period of some years and the parks board becoming heir to the property, in the interests of public recreation, after that time?

Mr. Speaker: Would the hon. member put this question on the order paper? If I am not mistaken this question has been up several times during the last few weeks.

WATER LEVELS

PROPOSED DIVERSION OF NORTHWESTERN RIVERS INTO GREAT LAKES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. Has the minister received any formal objections from any Canadian organizations to the diversion of the waters of the northwestern rivers in Canada, particularly the Yukon, south to the United States or into the great lakes to raise their levels, as proposed by the parliamentary secretary to the Prime Minister at Prince George?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No, Mr. Speaker.

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO WHEREABOUTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask a question of the Minister of Justice. Is

the minister now in a position, after six weeks of delay, to give an answer as to the whereabouts of Hal Banks; and has the minister yet been able to secure information from the immigration authorities of the United States that this elusive gentleman crossed the line and when doing so left his name and address?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am not yet in a position to give the house a precise answer as to the whereabouts of Mr. Hal Banks, although while I am on my feet I am in a position to answer a question put to me recently by the right hon. gentleman which asked when gross negligence in dealing with Mr. Banks first occurred.

I am now in a very clear position to state positively that if there has been gross negligence it started in 1958, when the Department of Justice asked the R.C.M. Police to investigate in order to determine whether Banks had been employing intimidation or violence in the furtherance of union activities. By the end of 1958 information had been obtained about the Walsh beatings. On February 23, 1959, when there was still time to look into the matter of whether Banks could be deported and deprived of Canadian domicile, there had been sent to the minister of justice a full account of the conspiracy to beat Walsh as related by the principal crown witness at the trial, Richard Greaves. On June 14, 1961 there had been sent to the minister, and therefore to the government, another report which included an account of the Walsh conspiracy of the other principal crown witness, Sheehan.

No action was taken against Banks, notwithstanding that this was a time when evidence relating to the Walsh incident was readily available and evidence relating to other incidents might also have been obtained. This was also the time when firm action might have prevented the deterioration in the situation on the St. Lawrence and great lakes system which culminated in the physical impasse on the St. Lawrence seaway in the summer of 1962, when the Welland canal was blocked as described in the Norris report.

Instead, a royal commission was appointed on July 17, 1962. Without detracting from the value of that inquiry it is a fact that an inquiry was not necessary to bring to light the evidence upon which the recent conviction of Banks depended. Thus, these proceedings could have been commenced five years before they were commenced.

[Mr. Diefenbaker.]

Some hon. Members: Oh, oh.

Mr. Diefenbaker: Mr. Speaker, I have allowed the hon. gentleman to answer in a way quite out of keeping with the facts.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: May I say at once that what the minister has stated is completely untrue as it related to the refusal of the former government to act. What actually happened was that the pampered pet of Liberalism was not proceeded against, and now the hon. gentleman is endeavouring to exculpate himself for his failure to act.

May I now ask him this question. Is it true that the minister has known for the last several weeks the whereabouts of Banks? I ask that question because Mr. Banks was apparently interviewed on a radio broadcast and stated that he has not been in hiding and that the government has known where he was all the time. I think the very fact he said this indicates the truth of what has actually taken place; that this government charged him with the one offence on which he could not be extradited and then let him go.

Mr. Favreau: Mr. Speaker, in all my life as a practising lawyer and since the few months I have been in the government I would never have believed that such an implication would be made and put to me. Whatever is implied in the question is totally false.

Mr. Diefenbaker: Does the Minister of Justice tell this house that he has no information on the whereabouts of Banks? If he does I accept it. Banks, of course, will be able to tell the story as it is and relate the manner in which the government protected him.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker.

Mr. Speaker: Surely we have had enough discussion of this matter.

Mr. Herridge: Has the minister heard about an unofficial committee meeting of members of all parties of this house in 1956 at which seamen from Banks' union told us of beatings, car burnings and all that sort of thing, and that nothing was done although we tried to get something done?

Mr. Donald MacInnis (Cape Breton South): A supplementary question, Mr. Speaker.

Mr. Speaker: If it is a supplementary question I hope it is going to be a quiet one and of assistance to the Chair.

Mr. MacInnis: I should like to ask the Minister of Justice, who has concerned himself with detracting from the Norris commission report, whether this now means that in order not to further detract, Mr. McLaughlin is going to be prosecuted.

Mr. Favreau: Mr. Speaker, this question has been answered much earlier by way of answers to previous questions referring to exactly the same matter, and I stand by the answers I have given.

Mr. MacInnis: Mr. Speaker, I have a further supplementary question, and I might point out that this question has not been answered. The minister has definitely concerned himself—

Mr. Speaker: Order. If the hon. member is entering into an argument with the minister I think I must remind him that it is well established custom in this house that the minister's answer should be accepted in the first instance.

Mr. MacInnis: Mr. Speaker, in the interests of protecting the Norris commission report, with which the minister is concerned, is he going to activate proceedings against Mr. McLaughlin, as the Norris commission report recommended?

Some hon. Members: Oh, oh.

[*Later:*]

[*Translation*]

Mr. Rémi Paul (Berthier-Maskinongé-Delanaudière): May I ask the Minister of Justice a question? Since Mr. Hal Banks' $25,000 bail was forfeited yesterday, could the Minister of Justice tell us to which department of revenue the proceeds of that forfeiture will be paid? Will it be to the Department of National Revenue or to the Quebec department of revenue?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, that matter, as I said last week, comes under a rather vague provision of the code stipulating that if the cost of an action is to be borne by a provincial government, the money accruing from the forfeiture is paid to the provincial treasury and vice-versa, if the cost is borne by the crown the money falls into the federal treasury.

Apparently, in a case such as this one, where both parties contributed to the cost of the trial and investigation it is done through negotiation, but to date the matter has not been dealt with.

Mr. Raymond Langlois (Mégantic): Mr. Speaker, may I ask a supplementary question?

Considering that Mr. Hal Banks has not yet been arrested, will the $25,000 which will be turned over to the public treasury soon contribute to a reduction of the income tax?

[*Text*]

HEALTH AND WELFARE

ASSISTANCE TO MEDICAL SCHOOLS AND MEDICAL RESEARCH

On the orders of the day:

Mr. P. B. Rynard (Simcoe East): Mr. Speaker, I should like to address a question to the Minister of Finance, and in his absence to his parliamentary secretary. Would the minister consider instituting immediately a crash program to train more doctors to meet the present emergency, and to explore further the possibility of medical schools operating for a full term of 12 months rather than eight months?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the hon. member for giving notice of this question. It will be brought to the attention of the minister at the earliest possible moment.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I have a supplementary question I should like to address to the Minister of Industry in his capacity of answering to the house in respect of the activities of the scientific secretariat. In view of what the hon. member has just said; in view of the fact that many qualified students are being turned down at our medical schools this fall, and in view of the fact that many people seem to think that research facilities are necessary—

An hon. Member: Sit down.

Mr. Speaker: Order, please.

Some hon. Members: Oh, oh.

Mr. Speaker: Order. If I understood correctly, this afternoon the house wanted to tighten up the rules. It seems to me that the first step in such tightening up should be taken by the hon. members themselves. I will look after the second step. Will the hon. member please pose his question as quickly as possible.

Inquiries of the Ministry

Mr. Diefenbaker: Mr. Speaker, when speaking of tightening up the rules, I can only point to the manner in which the Minister of Justice was allowed to depart so far from the rules.

Some hon. Members: Oh, oh.

Mr. Grafftey: In all seriousness, Mr. Speaker, I should like to say to the Chair that I spent a good amount of time drafting a proper question, and I was very briefly underlining the urgency of my question with some facts. I realize because of the atmosphere in the house this afternoon it is very hard to put across a question that is in order.

I should like to ask the minister, in view of the fact the national institute of health in the United States has seriously cut down its grants to basic medical research in Canada, is the government seriously studying this situation, and does the government intend to increase assistance to basic medical research in Canada in the very near future?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I think the government agencies concerned in this field are seized of the urgency and seriousness of this question. I might, however, point out specifically to the hon. member that the decrease in national health service grants in the current year has been more than offset by grants by the Canadian medical research council.

NATIONAL DEFENCE

DESIGNATION OF STAND-BY BATTALION FOR UN DUTY

On the orders of the day:

Mr. D. W. Groos (Victoria, B.C.): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the minister now in a position to name the new stand-by battalion for United Nations duty?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it will be recalled that at the time of the establishment of the UN force for Cyprus last March the first battalion of the Royal 22nd regiment was designated as the stand-by battalion for United Nations duties, and in consequence this battalion was sent to Cyprus. With the despatch of the Royal 22nd regiment the first battalion of the Canadian Guards, stationed at Camp Picton, Ontario, was nominated as the stand-by battalion. With rotation under way in Cyprus this battalion is now replacing the Royal 22nd regiment.

This latest move has resulted in the necessity of naming another stand-by battalion, and it has been decided that the first battalion of the Queen's Own Rifles of Canada should be designated for this function. The first battalion, Mr. Speaker, is stationed at Victoria, British Columbia.

[Mr. Speaker.]

LA MACAZA, QUE.—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, perhaps I may be allowed to make a brief statement in reply to another question which has been outstanding for some time.

Some days ago the hon. member for Burnaby-Coquitlam, referring to certain allegations made by individuals who had demonstrated outside R.C.A..F. station La Macaza over Labour day week end relating to unnecessary use of force by R.C.A.F. guards in removing them from the roadway at the entrance to the station, asked the Prime Minister if a further investigation would be made into these allegations.

The Prime Minister asked my colleague the Associate Minister of National Defence to look into this matter and report to him on the feasibility of holding such an investigation referred to by the hon. member. As hon. members are aware, in reply to a question asked earlier the associate minister had stated that a report had been received from the commanding officer of the station, and that on the strength of that report he was satisfied that no unnecessary use of force had been employed.

Subsequently the associate minister personally interviewed the commanding officer of R.C.A.F. station La Macaza. He was informed by the commanding officer that strict instructions had been given to all R.C.A.F. personnel that the minimum amount of force should be used to remove demonstrators who were blocking entrance to that station and, as far as he and other officers and and non-commissioned officers were aware, these instructions had been complied with.

An hon. Member: A very short and crisp answer.

Mr. Hellyer: In order to carry out their stated intention to block traffic moving in and out of the station, members of the demonstration were instructed to sit and lie on the road. When R.C.A.F. guards attempted to carry them to the side of the road they went limp, thus purposely increasing the difficulties faced by the officials of the station. As a result, as was the case in a demonstration

earlier in the year at La Macaza when no complaints of violence were made, individuals had to be forcibly moved to the side of the road, from where they immediately attempted to return.

No complaints were made at the time of the demonstration, nor was there any allegation then of injury sustained by any demonstrator. In fact the various charges of the misuse of force were not made until several days after the demonstration had been completed.

An hon. Member: Amen.

Mr. Hellyer: There was no restriction imposed or attempted on anyone taking photographs of the demonstration.

Further, immediately after the demonstration one of the leaders was quoted in the Montreal *Gazette* of September 10 as saying "There was no trouble at all, a number said goodbye and waved to the guards at the gate, but the guards did not respond".

I might say that the leaders of the demonstrators made it clear that they understood that they were trespassing on government property and that their objective was—

Mr. Grafftey: Why don't you get yourself a precis writer?

Mr. Hellyer: Mr. Speaker, I wonder whether you would ask the hon. member opposite to stop interrupting.

Mr. Grafftey: Mr. Speaker, on a point of order, the house is being subjected to long ministerial statements, and I recommend to the treasury benches that they hire a few precis writers in their departments. Mr. Speaker, what is taking place now is an obvious breach of the rules of this house, and I ask you to bring the minister to order.

Mr. Speaker: Order. I have listened to the hon. member for Brome-Missisquoi with a great deal of interest and, I hope, patience. The first long statement this afternoon was made in an attempt to answer a very serious charge. This statement this afternoon has been asked for by one member, and though it may be a little long—and I regret the length of some of the statements—the ministers must take their own responsibilities in that regard.

Mr. Hellyer: Mr. Speaker, I regret the length of the statement, but I must say it is much better prepared than the rather imprecise statement made by the hon. member a little earlier.

I might say that the leaders of the demonstrators made it clear that they understood that they were trespassing on government property and that their objective was, in effect, deliberately to provoke an incident by preventing the free movement of vehicles going about their proper business, including the transportation of civilian personnel employed at the station.

It is felt that in the circumstances a further investigation would serve no useful purpose. The Prime Minister, who has personally looked into the whole question, agrees with this view.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I should like to ask either the Minister of National Defence or the Prime Minister if this is what the government considers an independent investigation, carried on by the Minister of National Defence and the associate minister. It seems to me this is very much like asking a man who is accused of misappropriation of funds to audit the books.

Mr. Speaker: Order. Would the hon. member make his question short and succinct.

Mr. Douglas: Mr. Speaker, I can assure you that my question will be much shorter than the previous answer by the minister. I should like to ask the minister whether any attempt was made to interview any of the four or five young people whose names were given in the press, particularly Miss Kathy Moses who claims to have been kicked between the legs, and a young lady who claims to have been beaten and dragged by the hair. I want to ask the minister if any attempt was made to interview these people and get all the facts, or is the minister's report based entirely on the report of the officers who were responsible for the conduct of the guards in question?

Mr. Hellyer: Mr. Speaker, we can only base our opinion on the facts we have available. The department has received no complaints from any of the demonstrators, and no claims have been made. I might quote to my hon. friend from a pamphlet issued by this organization entitled "Unique Action at La Macaza" in which it is stated:

> On Tuesday at 4.30 p.m. we precipitated a "crisis" for the military with their obvious policy of "no arrests and no draggings" by splitting into two groups and blocking a secondary entrance which the air force had been using for some important traffic. With the blocking of both entrances the base was genuinely sealed. We had taken a new initiative. Would the military respond, and if so, how?

Inquiries of the Ministry

Mr. Douglas: May I ask the minister a supplementary question. If these young people were breaking the law were any of them arrested? Why were charges not laid against them?

Mr. Hellyer: They were not arrested, Mr. Speaker. On the other hand, if any of them had felt that undue force had been used I would have expected that they would have laid charges and used the due processes of law as laid down by our constitution.

Mr. Douglas: Did the minister use any of the due processes of law?

Mr. Hellyer: Quite so, Mr. Speaker.

Mr. Speaker: The hon. member for Okanagan Boundary.

Mr. Pugh: Mr. Speaker, my question has been asked.

CONSIDERATION OF PURCHASE OF U.S. JET AIRCRAFT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister inform the house whether the government has considered the purchase of $300 million worth of pure jet all purpose aircraft from the United States and, if not, when a decision will be made in this regard?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, as I indicated to the house a few days ago, we have been studying our requirements for tactical aircraft for some time. A number of studies have been done but as yet no decision has been taken.

Mr. Eric A. Winkler (Grey-Bruce): A supplementary question, Mr. Speaker. Should the minister and the departmental officials decide to move in the direction of acquisition of this type of aircraft, will the minister see that included in the plans will be an arrangement to have the aircraft manufactured in this country?

Mr. Hellyer: The urgency for making a decision, Mr. Speaker, is directly related to providing a continuing basis for the aeronautical industry of this country. Strictly from the standpoint of the Department of National Defence we could postpone a decision for some time, but in view of the urgency of giving support to the industry we have been giving early consideration to this matter and hope to be able to make a decision soon.

[Mr. Hellyer.]

Mr. Nielsen: A supplementary question, Mr. Speaker. In view of the news report last evening on television, can the minister state whether the decision of the government is imminent in this regard, having in mind the supplying of further defence contracts to Canadair in Montreal?

Mr. Hellyer: I would not say it was imminent, but I hope a decision can be taken as soon as we can arrive at what we believe to be the right conclusion.

NATIONAL PARKS

NOVA SCOTIA—INCLUSION OF COAST AREA IN SECOND PARK

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. In view of the fact that the Department of Northern Affairs and National Resources is planning to establish a second national park for Nova Scotia in Queens county and the boundaries at present indicated do not include part of the sea coast, will the minister give consideration to adding a section of coast line either in Lunenburg or Queens county so this park will provide a greater attraction for our Nova Scotia tourist industry?

Mr. Speaker: May I suggest this is a question for the order paper.

WORLD FAIR

REPORTED STATEMENT AS TO BENEFITS TO CANADA

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Trade and Commerce and it arises out of a report in the Montreal *Star* of September 28 of a speech delivered by the minister's parliamentary secretary, who is quoted as having predicted that among the results of the world fair in Montreal will be a 20 per cent increase in the gross national product and a benefit of $200 million to the national treasury. My question to the minister is this. Were these heartwarming if slightly stupifying predictions based on information supplied to the government by its economic advisers, or are they merely part of the Liberal mystique?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, my parliamentary secretary did not consult with me

before delivering his speech, but may I say that the most optimistic and encouraging speeches are made by my predecessor in office Hon. George Hees.

TRANSPORTATION

LACK OF RAILWAY PASSENGER ACCOMMODATION, MONTREAL-VANCOUVER

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to address a question to the Acting Minister of Transport based on the reply he gave the house to an inquiry I made about the lack of accommodation on C.P.R. passenger trains between Montreal and Vancouver. In reply he said that every day for the last few weeks some accommodation has been available on The Canadian between many points. Could the minister ascertain from the C.P.R. between how many points there has been no accommodation available, and how many requests from the public for reservations have been turned down since the C.P.R. drastically reduced accommodation on The Dominion?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, I will try to get the information.

AGRICULTURE

REQUEST FOR ESTABLISHMENT OF EASTERN FEED GRAIN AGENCY

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Minister of Forestry who is responsible for agricultural development.

On September 25, replying to a question of mine concerning the setting up of an agency to deal with feed grain in eastern Canada, the minister said that this matter was being studied by a committee since last fall.

Now here is my question, Mr. Speaker. When does the minister expect this committee to present a report or a release on the creation of an agency to deal with feed grain in eastern Canada? Has he asked the committee on agriculture and colonization to increase the number of its sittings with a view to submitting its report at the earliest possible time, so that this agency might be formed before fall?

Hon. Maurice Sauvé (Minister of Forestry): Yes, Mr. Speaker, I have been in touch with the chairman of the committee who assured me that the sittings would soon be resumed to pursue the discussion of this problem.

Mr. Langlois: Could he also tell us the approximate date when those meetings will end?

Mr. Sauvé: Mr. Speaker, I am told that we should receive the report of the committee before the end of November.

[*Text*]

INQUIRIES OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I direct a question to the right hon. Prime Minister?

Would the Prime Minister tell us whether he has looked into the statement made last Tuesday in Vancouver by the executive vice president of the C.L.C., Mr. Jos. Morris, and does he agree with Mr. Morris when the latter asks for "a social service and allowances system which will enable the unemployed to share the wealth of the community and to play an active part in it", so as to face up automation?

[*Text*]

Mr. Speaker: Surely this question, not being pressing and not requiring an immediate answer, should be put on the order paper.

Mr. Pearson: On a point of order, Mr. Speaker, I believe the question concerned a statement appearing in the press that is alleged to have been made by a private citizen. Surely I am not required to comment on all statements made outside the house by private citizens.

Mr. Speaker: I would say the point taken by the Prime Minister is well taken.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I had intended to direct a question to the Secretary of State, but in his absence I shall ask the parliamentary secretary to the Minister of Trade and Commerce (Mr. Pepin) to reply.

Does the participation of certain Liberal members of this house in the electoral campaign in Quebec constitute another form of that co-operative federalism which the parliamentary secretary to the Minister of Trade and Commerce is supporting?

[*Text*]

Mr. Speaker: Order paper.

ARTS, LETTERS AND SCIENCES

SUBSIDIES TO CULTURAL CENTRES IN DORCHESTER COUNTY, QUE.

On the orders of the day:

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): Mr. Speaker, may I put a question to the Prime Minister?

Could he tell the house whether his government intends to grant subsidies to the many cultural centres promised by the Liberal party in Dorchester county during the current provincial by-election campaign? If so, is the Prime Minister admitting in this way that operation "agriculture" having failed in that county, it is now being replaced by operation "culture"?

[*Text*]

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

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, on a point of order.

I think this is a very urgent matter as there is going to be an election next Monday, that is, in four days, so that it is clearly too late to put this question on the order paper.

Throughout the county of Dorchester the Liberal party are promising cultural centres for the Dorchester electors. We would like to know whether before Monday, the day of the election, the federal government intend to pay for all these centres connected with the centennial of confederation in the Dorchester municipalities.

That is why an answer must be considered as urgent at this time.

[*Text*]

Mr. Speaker: Order, please. I suggest that the question should be put on the order paper.

[*Translation*]

Mr. Boutin: Mr. Speaker, on a point of order. I must inform you that I intend to raise this question tonight at ten o'clock.

[*Text*]

GRAIN

PRINCE RUPERT, B.C.—INCREASE IN ELEVATOR CAPACITY

On the orders of the day:

Mr. Frank Howard (Skeena): I wonder if I might direct a question to the Minister of Agriculture, and ask him if he has anything to relate with regard to the grain elevator at Prince Rupert, especially in view of the fact there was virtually a promise made about it on the eve of April Fool's day.

Mr. Speaker: This is another question for the order paper.

Mr. Howard: If I may be permitted, I should like to say that Your Honour has consistently permitted me to ask questions precisely in the same way I have just asked this question now, with the exception of the reference to April Fool's day.

Mr. Speaker: I would simply say to the hon. member that two wrongs do not make a right, and if I have been wrong in the past I am about to correct it now.

Mr. Howard: May I be permitted to hope you pursue that course diligently.

EDUCATION

STUDENT LOANS—ELIGIBILITY OF QUEBEC STUDENTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I wonder if the parliamentary secretary to the Minister of Finance would take notice of this question for an answer as early as possible. Is it a fact, as I have been informed, that university students from Quebec studying, for example, at the University of New Brunswick, are disqualified for student loans for two reasons; one, to be eligible for a loan from the New Brunswick allotment they must have 12 months residence in New Brunswick; two, under the Quebec plan they must attend universities in that province in order to qualify?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): I am pleased to accept the hon. member's suggestion.

INDIAN AFFAIRS

INQUIRY AS TO TERRITORIAL PARTICIPATION IN CONFERENCE

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): I wonder if the Minister of Citizenship and Immigration can say whether the governments of the Yukon and Northwest Territories will be participating as observers at the forthcoming federal-provincial conference on Indian affairs.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, no decision has yet been made in this connection, but the hon. member's suggestion will be considered.

[*Text*]

LABOUR RELATIONS

MONTREAL—SUSPENSION OF LONGSHOREMEN BY INTERNATIONAL UNION

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): I wonder if I might answer a question asked yesterday by the hon. member for Villeneuve concerning the suspension of stevedores in Montreal. The information I am giving is based on press reports, and it would appear that the Canadian national trade union has been conducting organizing activity among longshoremen on the Montreal waterfront. Two members of local 375 of the international longshoremen's association were assisting the C.N.T.U. and, it is said, sought to enroll other longshoremen. As a result they were suspended from I.L.A. membership and this has affected their employment under the terms of the collective agreement between the employers and the union.

It would appear that the suspensions of the two men were made by the Canadian officers and members of the Montreal local and not by the international union itself. Under the constitution of the organization, suspended members have a right of appeal to the higher officers. Following procedure under the constitution of their organization, they could also have recourse to the Industrial Relations and Disputes Investigation Act and the courts, if it is still felt that their rights have been violated.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I want to ask the Minister of Labour a question following the answers he gave to the questions I asked yesterday.

It is understood that there is a collective agreement between the Montreal stevedores and their employers. The minister now tells us that those two citizens, those two longshoremen, were suspended from their jobs until December 31. What statute of this country, or what legislation under the Department of Labour can stop a longshoreman who is dissatisfied with his own union from working in favour of a different union, whether it be the CSN, as in this case or another?

On the other hand, will those longshoremen be paid unemployment insurance benefits? At this time they are barred from doing so.

Can the minister affirm that the longshoremen will, at least, have the right to receive unemployment insurance benefits, over and above ensuring them the right to affiliate with another union, if they want to do so. After all, we are living in a democratic country where the individual freedom of each citizen should be unreservedly protected.

[*Text*]

Mr. MacEachen: Mr. Speaker, I regret having failed to add that I am still awaiting information with respect to the status of these persons under the Unemployment Insurance Act. Just as soon as I receive the information I shall give it to my hon. friend.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

Will the minister inquire from the two stevedores who were laid off in order to find out whether the real reason of their suspension does not lie with the Montreal longshoremen's association, where a large group would like to become members of the CSN rather than of the international longshoremen's association? Efforts are being made to keep them from doing so, and that is a violation of the most sacred rights of freedom of union.

[*Text*]

Mr. MacEachen: As I stated earlier, Mr. Speaker, if these persons feel their rights have been violated there are certain courses open to them, namely to appeal under their own constitution for further adjudication; and if they wish to seek recourse under the Industrial Relations and Disputes Investigation Act they can make an application under it. They can also seek to have the matter determined in the courts. As can be seen from this, there are a number of methods open to these persons to have the matter determined without any action to be taken by the Department of Labour.

Mr. Grégoire: Is the minister suggesting they should appeal to a higher official of the—

Mr. Speaker: Order. We have spent a great deal of time on this question and the minister has attempted to give a rather complete answer. I have allowed fuller questions than are usually allowed, in order to give some recognition to the rights of individuals, but

I do not think we should take any more time of the house on this particular matter. Hon. members should consult the minister privately, or else put their questions on the order paper.

[*Translation*]

Mr. Caouette: Mr. Speaker, on a point of order. The Minister of Labour made a statement and we are trying to get detailed information. I think we surely have a right to ask the minister to whom these five stevedores must apply for appeal, so as to secure a hearing or submit their grievances.

Should they appeal to officials of the union, to a branch or an agency of the Department of Labour?

We want full particulars on this matter and I suggest that this is where we should ask questions and try to get the accurate details we most earnestly seek.

[*Text*]

Mr. Speaker: I am sure if the hon. member put his questions on the order paper once more he would get a very detailed answer, and he would also save the time of the house.

LABOUR CONDITIONS

D.E.W. LINE—SITUATION RESPECTING LABOUR DISPUTE

On the orders of the day:

Hon. A. J. MacEachen (Minister of Labour): In connection with the questions asked concerning the dispute on the D.E.W. line, I am advised by the Winnipeg officer of the department, who was the mediator in this situation, that to his knowledge there was no intimidation practised by anyone to influence the outcome of the dispute. It will be recalled that the parties had agreed on September 22, during their discussions before the entry of the mediator, that there would be no strike, and they proceeded to put this undertaking into writing. I think I should say also that the parties concerned in this dispute were very well aware of their responsibility to keep this vital defence line in operation, and that is why they reached agreement that there would be no strike and that any issues still in dispute at the conclusion of negotiations would be submitted to final and binding arbitration.

FINANCE

NEW TAX POLICIES FOR POTASH FIRMS USING SOLUTION METHOD

On the orders of the day:

Mr. K. H. More (Regina City): Mr. Speaker, my question is directed to the Minister of Finance, and his parliamentary secretary can take notice of it. On Tuesday morning, 30 miles west of Regina, the $50 million Kalium Chemical plant, the first in the world to successfully use solution mining for recovering potash from great depths, was opened. At a press conference in Regina that morning the premier of Saskatchewan said that "Gordon's tax policies" regarding this new industry are stupid and short sighted. Will this forthright statement of the premier of Saskatchewan prompt the minister to give bold and imaginative consideration to new tax policies to encourage further development in this new field?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Minister of Finance is not accountable for the short-sightedness of the gentleman to whom the hon. member attributed this statement.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I had intended to put a question to the Minister of Labour earlier, but because of the numerous questions that followed I retired from the field.

Is it the intention of the minister to study soon the Gill commission report on unemployment insurance and on unemployment now prevailing in Canada? This report was presented several months ago.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): As I have stated on several occasions, Mr. Speaker, the recommendations of the Gill committee are under examination, and the situation with respect to action on the report was outlined by the Prime Minister at the opening of the session.

Mr. Langlois: May I ask a supplementary question of the minister and—

Mr. Speaker: Order, please. I do not see any particular urgency in this question, which has been raised frequently during the last few weeks.

Mr. Langlois: If I may put one short question, it may not be of urgency in one particular region but it is of particular urgency with respect to the unemployment situation across the country. We have had frequent

answers from the minister that the recommendations are under consideration. I would like to ask under consideration by whom?

Mr. MacEachen: The government.

Mr. Speaker: Orders of the day.

Mr. Langlois: As a supplementary question, isn't the Minister of Labour—

Mr. Speaker: Order, please. Orders of the day.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,180,500.

The Chairman: Shall vote No. 1 carry?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Chairman, the Canadian economy is now in its fourth year of advance and is moving strongly ahead. The rise in Canada's gross national product this year surpasses even the 6.6 per cent increase of 1963. Employment so far this year is up 4 per cent from the same period a year ago. Despite a more rapid expansion of the labour force, there are fewer people without jobs.

The general advance has been widely diffused throughout all major segments of industry and all geographic regions. Output in secondary manufacturing industries has continued to grow, service trades and construction have been more active and substantial gains are also being realized in resource industries.

Canada's 1963-64 crop year, which ended July 31, was the most successful wheat marketing year in the nation's history. It was a record year for production, exports and income, in each case well above previous highs. It is a year that will be difficult to match.

A number of importing countries have harvested large crops this year. Nevertheless the outlook for wheat exports is favourable. Canadian wheat is ideally suited for blending with the indigenous soft wheats produced in these countries. Agreements concluded with mainland China and several eastern European countries assure a continuing heavy movement to these markets. Forward sales for the current crop year are encouraging. In short, 1964-65 is going to be a good year for exports of wheat.

Internationally, economic conditions remain generally good, with world production and trade moving steadily higher. Sales of Canadian products have been more than holding their own in international markets. Rising exports have played a major role in Canada's current expansion. For the period 1960 to 1963 Canada's merchandise exports rose by 30 per cent or nearly 10 per cent each year, and so far this year they are up by a spectacular 23 per cent from the same period in 1963. Even exclusive of wheat, exports are up by 17 per cent. Items contributing in a major way to this increase include lumber, pulp and paper, iron ore, base metals, aircraft and automotive products. Especially encouraging is the further growth in a wide assortment of manufactured goods which, as a group, are assuming increasing importance in Canada's export trade. Canadian manufacturers continue to break new ground in terms of both the broader range of products sold and the growing number of markets penetrated. A significant part of this growth in sales of manufactured goods consists of capital equipment sold under long term financing arrangements of one kind or another, either insurance or direct financing by the government under the Export Credits Insurance Corporation. All major foreign markets have absorbed more Canadian products this year. Exports to the United States are up by 11 per cent, to Britain and the rest of the commonwealth by 21 per cent, to the European economic community by 25 per cent, to Japan by 18 per cent.

The encouraging state of Canada's trade at present does not, of course, mean that those concerned with its promotion can now rest comfortably on their oars. There is nothing static about foreign competition for international trade, and in our promotion activities we look to the years ahead. Moreover, prosperity presents its own special challenges. It is, for example, anomalous but true that Canada's economy is perhaps more vulnerable to external imbalance in good times than in bad. I think the comment that was made today on the orders of the day, that there was some adverse change in our current account balance, was simply an indication that we were very prosperous.

This year's accelerated growth in the Canadian economy accompanied by sharply expanded capital expenditure programs has entailed a new upsurge in import demands. So far in 1964 merchandise imports are up by 19 per cent and payments for non-merchandise items are also up sharply. Thus, the virtually unprecedented rise in export earnings this year has scarcely been adequate to meet the

rise in foreign payments. Consequently our current account balance, which last year showed the smallest deficit—about $500 million—in the last nine years, has shown no further improvement this year. Figures recently released by the dominion bureau of statistics show a current account deficit of $518 million for the first half of 1964 compared with a deficit of $452 million for the same period last year. A moderate improvement in the merchandise trade balance has been more than offset by higher net payments on non-merchandise items; in other words, the trade surplus has again grown fairly substantially but it has been offset by these invisible items. These developments illustrate how important it is, even in present conditions of mounting prosperity, to push resolutely ahead with programs to extend our productive capabilities on the basis of competitive efficiency and to develop new markets. It is against this background of solid accomplishment but continuous challenge that the department is pursuing its role of helping to pave the way and to stimulate an ever-increasing flow of Canadian products into the markets of the world, wherever they are to be found.

I would now like to say a word about international trade relations. We are in one of those periods of transition where old trading patterns gradually give way to new. No country can afford to ignore the currents or to lag behind in adapting itself to the changes that are taking place. Especially is this so in the case of Canada, where the further development of our trade and the growth of our economy require that we should exploit every opportunity to gain access to wider markets. Better access to the United States and other markets could, in many cases, provide the necessary incentives for longer production runs and increased specialization, which are so necessary to many of our secondary industries. Improved access would also open up possibilities for the development of new products and for the initiation of new export trade.

The intensive phase of GATT trade and tariff bargaining gets under way in November. While there was some lull in the preparatory work in August, meetings of experts are now being resumed in Geneva with the objective of clearing away remaining difficulties in time for the November 16 deadline. On that date the participating countries are scheduled to begin their detailed bargaining behind closed doors.

[Mr. Sharp.]

The Canadian tariffs and trade committee has now pretty well completed its initial task of receiving briefs and conducting consultations with various Canadian interests. The interest shown by the business community has been most encouraging. More than 400 separate briefs have been received by the tariffs and trade committee. The committee has been going non-stop all summer—like parliament—in receiving interested groups which have been asked for hearings. Our delegation, under the chairmanship of Mr. Norman Robertson, will be entering the negotiations in Geneva better briefed on the views and interests of the various Canadian groups than ever before. The tariffs and trade committee here in Ottawa, under the able and experienced leadership of Mr. Hector McKinnon, will be available as may be required to provide a vital and continuing link between our negotiations in Geneva and the Canadian business community. Some of our negotiating team has already left for Geneva for the final preparatory phase of the negotiations. We expect that the full delegation will be on the ground after the end of the year.

I would not try at this stage to predict the duration of these negotiations, or the final outcome. They will be of great importance to the international trading community and we can expect them to be long and difficult. The task ahead and the challenge the negotiations present fully justify the time and effort required. Special efforts will be necessary to ensure a meaningful negotiation in the agricultural sector. Canada's interests in the negotiations are positive and clear. It is through the opening up of markets on the broadest possible basis that our own trade and economic interests can best be served. In the process concessions will be required in return for benefits received. Our participation will be carefully developed in the light of the national interest and the opportunities presented. We shall be striving for maximum Canadian advantage. As I have said on some other occasions, we shall be tough but not reluctant bargainers.

A most important task of the 1960's is to reinforce the efforts of the less developed countries to improve the lot of their peoples and to reach the point of self-sustaining growth. The United Nations trade and development conference laid bare the magnitude of the task and the urgency of the demands of the less developed world. The conference also laid the basis for carrying the work forward through new international machinery devoted exclusively to the problems of trade

and economic development. The Kennedy round of negotiations provides an early opportunity to assist the developing countries through better trade access. The major trading nations, including Canada, have agreed that maximum efforts should be made to open up trading opportunities for the developing countries. Special procedures are being worked out to ensure that the interests of the less developed countries are kept fully in mind.

The United Nations general assembly this autumn has the trade problems of the developing countries high on its agenda. The GATT countries will be having a special session this autumn in Geneva—I expect that my deputy minister will be attending as the chairman of GATT—devoted especially to possible changes in the international trading framework designed to take better account of the trade needs of the developing countries. Canada has played, and will continue to play, its full part in these endeavours.

It is no small achievement that during this period of pause, when the leading trading nations have been preparing themselves for further progress in the direction of international trade and economic co-operation, restrictionist pressures have on the whole been resisted by our trading partners. While some problems of access have been encountered, these have been the exception and Canada's exports to the United States, Britain, the European economic community and Japan have all been running at record levels.

Japan has now become Canada's third largest market and the prospects are for even higher import requirements for the years ahead. The pace at which Japan has been opening up its market to import competition may at times give rise to impatience. Nevertheless, Japan has moved a long way in the last several years. Japan herself has had trouble in gaining improved access to markets for its products. Of key importance is that the movement has been in the direction of freeing up trade and not away from international economic co-operation.

We have been doing well in the British market. Canned apples were freed from import controls in June, and very few of the United Kingdom post-war trade restrictions now remain. I am glad to see that my hon. friend who formerly had responsibility in this matter is smiling, because I know from his experience and from my own how many years it has taken to get rid of canned apples.

Mr. Nowlan: Hear, hear.

Mr. Sharp: We are actively pursuing with the British authorities the question of better access for our fresh apples and pork products.

The department has of course followed developments in the United States with particularly close attention. Certain important sectors of our trade have been the object of protectionist pressures, notably oil and lumber, but restrictive measures have been avoided. We are frankly disappointed that the United States has, so far, not felt able to free up the trade in lead and zinc, particularly during this period when the market has strengthened. Lack of substantial progress in easing the United States restrictions on Canadian cheese is equally disappointing. And we are determined that the objectives of our automotive program should be achieved. It is easy to harp at the United States, and we have our problems. But it is important to keep in mind the extent to which new trade restrictions have been avoided and the great potential which exists for expanded trade and fruitful economic co-operation with our major trading partner, the United States.

In its external trade promotion work, the department is building purposefully upon the foundations established by past projects such as the national export trade promotion conferences, the regional trade promotion meetings, and the various sample shows. Those imaginative projects stimulated greater interest in exporting, identified opportunities and potentialities, and pointed to ways and means of capitalizing on them. They induced a gratifying extra momentum to the export activity of our business community.

Our task is always to service expanding interest in export trade, to exploit gains which have been made, as well as to broaden and diversify the base of our trade in continuing to seek new prospects and to avail ourselves of additional export possibilities as these are discovered. As the pattern of our trade develops, new methods must develop with it. The guiding work principle is "promotion in depth"—intensive, detailed, painstaking effort. In particular, attention is being paid to export development for secondary manufactures. Our export manufacturing base is widening in a most encouraging way. As instances of success at export multiply, more and more businessmen are gaining confidence in their competitive capacity in world markets.

Whether it be in our dealings with individual firms or with trade associations; in the bent of our trade missions program or the purpose of our trade fairs program; in the establishing of further regional offices within Canada or new trade posts outside our country; in special activity such as our efforts to encourage the export of Canadian consultant engineering services or our work in developing the export of Canadian-made components needed by overseas industries; in selling bulk or packaged foodstuffs and other agriculture or fishery products or in exporting industrial raw materials or manufactured products—in every area we are working intensively and with purpose. Canadian businessmen are responding to the opportunities and to the challenges in a most gratifying way.

The department's aim is to remain flexible, responsive to fresh opportunities. Prospects, trends and potentialities are kept under constant review. We are constantly adapting to new environmental changes, new developments, and we shall continue to do so.

In our efforts at external trade promotion we are co-operating fully with all provincial trade departments and I am glad to say they are reciprocating in like degree. In matters of mutual interest and concern there is sensible exchange of views at the planning stage, practical collaboration in the organizational phase, effective joint effort at time of execution. I am satisfied that much mutual benefit has already accrued. Indeed, when I first met with the ministers and my opposite numbers in the provincial governments I said I thought that this co-operation was a very good example of co-operative federalism. My officials and their opposite numbers in the provinces have developed intimate and effective relationships that augur well for the future.

In that other important sector of our promotion work, tourism, there is every indication that the Canadian tourist industry will achieve another record year in dollars earned from visitors to this country. The tourist bureau is working to a three year development plan designed to bring tourist earnings to a total of a billion dollars in 1967. This will require a very considerable effort and investment. Good progress is being made and I am confident that the imagination and determination being shown will yield results of which we as Canadians can all be proud.

Hon. members will be interested in the program called "Project Hospitality" which the travel bureau inaugurated through the Canadian tourist association. Project hospitality consists of a series of seminars and local hospitality conferences in every province aimed at the operator or service level. The objective is to raise the standards of reception and service provided to our visitors. Results to date are very encouraging.

Through the annual federal-provincial tourist conference to be held in Ottawa in November and by continual, almost daily, consultation with the provinces and the transportation companies covering all kinds of promotion activities, the travel bureau continues to provide leadership and a means of co-ordinating promotion of travel in Canada both at home and abroad.

As regards Expo '67, good progress has been made and the corporation advises that preparations are on schedule and prospects for foreign and domestic participation most satisfactory. Hon. members have had an opportunity to be briefed on the striking plans which have been developed for federal and provincial participation in this great centennial event.

A number of questions have been raised regarding the relationships between the Department of Trade and Commerce and the new Department of Industry. They were raised particularly on the estimates of the Department of Industry. There is no need for any confusion on this matter. Those relationships are precisely similar to those existing with the departments of agriculture, fisheries, forestry and mines and technical surveys. The prime responsibility for matters affecting export trade and trade promotion rests with the Department of Trade and Commerce. To the extent that the Department of Industry is successful in increasing productivity, improving the competitive strength of Canadan industry and expanding the range and volume of Canadian industrial production, it will develop new fields of opportunity for export trade development. Officials of the two departments are working in the closest collaboration; their efforts are complementary and mutually reinforcing.

As hon. members are aware, I have responsibility as Minister of Trade and Commerce for a number of boards, crown corporations and agencies which report to parliament through me, but which are not part of the department as such. When we come to the votes covering the estimates of these boards and agencies I shall be pleased to comment or to answer any questions. At this stage I

should like to refer briefly to the operations of the dominion bureau of statistics and the national energy board.

Hon. members will be asked to approve a small sum to undertake preliminary work for the quinquennial 1966 census which will again be taken for Canada as a whole as it was in 1956. The questions to be asked for the population will be limited, as was the case in 1956, to some five basic questions—age, sex, marital status, relationship to head of household and whether living on a farm—plus a question on type and tenure of each occupied dwelling. For agriculture, questions will be asked about the number and size of holdings, type of farm, crop acreages, number of livestock and farm machines and limited information on expenditures.

Since I announced our national power policy to the house a year ago, the board has been engaged, directly and in association with other agencies, in various studies bearing on the implementation of that policy. As the house is aware, the board is also responsible for advising the government on the progress of the national oil policy. Earlier this year I expressed the view that average Canadian production of crude and equivalents should reach about 850,000 barrels a day in 1964. It now appears that this level will be very nearly achieved and that the industry will enjoy an increase of the order of 7 per cent over last year or more than 50 per cent above the level of average production in 1960.

The adjustments inherent in any such program require the constant participation by the board in discussions with companies in the industry, but I think the difficulties have so far been met by the industry and the board with a remarkable degree of success, both in terms of the adaptation of the patterns of the industry within Canada, and in terms of orderly development of the markets in the United States for Canadian oil. The process has not been painless and difficulties remain, but the industry is certainly to be congratulated on what it has so far achieved.

In closing my remarks I should like to stress again the need for Canada to respond appropriately to the basic shifts in the world trading environment that is taking place. Canada is a great trading nation. To maintain and improve our prosperity and our standard of living we must consolidate and improve our position as an international trader.

In the months ahead we can expect keener competition at home and abroad in our efforts to maintain and expand markets for primary products and for secondary manufactures. We should set our sights on meeting this keener competition, and on adjusting our posture and improving our efficiency to take advantage of broader markets. We must remain competitive if we are to maintain and expand our place in the Canadian market and in the markets of the world. I am confident that Canadian industry can and will respond to the new opportunities and new challenges.

Mr. Churchill: May I just ask the minister a question. Would he in concluding his remarks list the various agencies or crown companies for which he has responsibility so that we have them all together in his address?

Mr. Sharp: The Canadian wheat board—and this is not an agency but a responsibility, the corporation and labour unions returns act, which we were discussing this morning during the banking and commerce committee meeting, and the returns for which are collected by the bureau of statistics; the Exports Credits Insurance Corporation, the national energy board and the bureau of statistics. I also have responsibility for the Eldorado Mining and Refining Company and Expo '67.

Mr. Churchill: The board of grain commissioners is not included?

Mr. Sharp: No, it is not.

Mr. Lambert: Mr. Chairman, it will be appreciated that it will be rather difficult to comment in detail on the minister's presentation. I am not complaining, but the minister's rate of delivery is rather rapid. I am not a shorthand writer and he has the advantage of a text, which he follows rather closely, copies of which we have not received. I again draw his attention to a request made by members on this side, as well as on all sides of the house, to the effect that if members of the cabinet are presenting statements and do so from a lengthy and involved text, they should exercise the courtesy of providing party leaders or representatives with copies. After all, the reading of a text by a minister in opening a discussion on his estimates is done with the tolerance of the members of the house and the Chair. Otherwise, if we want to follow the rules strictly, the minister would have to make such a statement spontaneously without a text. If you will permit me to digress slightly, Mr. Chairman, I think this is perhaps one area where things could be improved. Either we should accept the fact that a minister is going to make a statement from a text and have

copies distributed, or the minister should follow the rules and get along without a text.

Be that as it may, I found the minister's statement this afternoon, at least at the beginning, to be rather generalized, and that it painted a picture in rather glowing colours. There was an unfortunate dearth of what one might call hard figures, comparing the progress this year with progress of the past. I should have liked to hear a great deal more detail about what he foresees for the future, and I will deal with that subject more extensively at a later time.

In following the minister's statement I made an attempt to compare it with a speech he delivered to the Canadian Chamber of Commerce annual meeting in Winnipeg on September 28. The two statements were made within a short period of time, and naturally the facts existing on the one occasion cannot be separated from the facts which existed on the other. These facts would not change. Therefore we find a similarity of thought expressed in both statements.

It is interesting to observe that the notes of caution I intend to make this afternoon may be in contrast to what the minister intended in the opening remarks of his statement. What I say is certainly not in the spirit of doom and gloom, which we have observed on the part of his colleagues who were formerly on this side of the house. Though the minister was not here then, I am sure he would blush if he heard or read some of the statements that were made then, in view of some of the things he said in his Winnipeg speech. I should like to quote from that speech, where he said:

> The Canadian economy is now in its fourth year of uninterrupted advance and substantial gains are being made this year.

It is too bad the hon. member for Essex East and a few of his fellow gloomsters of the past three years were not in attendance to hear this glowing report in respect of the nature of the economy as it stands today.

The minister has indicated a need for action in certain areas, and I think we should underline these areas. Certainly during the past six or seven years there has been a considerable increase in both exports and imports, but there is a question arising in respect of whether there will be a sufficient increase in exports to more than counterbalance the increase in imports. Is the increase in exports going to be sufficient to even keep pace with the vastly increasing payments on the foreign accounts, which have to be made on the non-commodity side, for interest, dividends and repayments? We know that from 1946 and 1947 to 1955 and 1956 there was a continuous and fantastic deficit on both the commodity and non-commodity side. There was a surplus on the commodity side I think in 1952, but that is the only exception.

Those deficits in international accounts were made up, so far as we were concerned, and this is what tended to keep the Canadian dollar at an artificially high level for a period of time. The deficits were actually invested in Canada but not necessarily in new investments. A good deal of the deficits were invested in other than new investments and we observed a good deal of purchases in industry made in Canada by foreign interests. These purchases were not all made by United States interests, but by other foreign interests as well. However, the more of this foreign investment there is as the result of a deficit in the international account, the more we must face up to the fact that we are going to have to repay this in some way in the future. Every time we borrow money on the foreign market we must take into account the fact that we are going to have to repay it.

Year by year we see this non-commodity item gaining on us. In fact, the situation is almost similar to a treadmill. This is the price we must pay for the progress that is being made in this country. I am not suggesting this is entirely wrong, but we must realize that this is a price we must be prepared to accept. If we ignore that fact I think we are guilty of very careless thought.

The minister referred to the export of apples from Halifax to the British market. Just as an aside, I should like to point out that I noticed a statement on one of the financial pages of a local daily newspaper which pointed out that the major processor of Ontario apples into apple juice is under British control. Instead of exporting our apples over to Great Britain they have taken over control of this processing industry and process them here.

I should like now to refer again to the speech made by the minister in Winnipeg. I have noted that from 1960 to 1963 exports on the commodity side increased by 30 per cent and that up to this time this year they are—in Winnipeg the minister used the word "whopping".

Mr. Sharp: Spectacular.

Mr. Lambert: Spectacular. I think we all realize that wheat and wheat products have a good deal to do with this, but there are other things. I hope that later the minister

will be able to put on record the increase in sales of natural gas, because there has been quite a considerable advance. It has not been so much in the case of oil, although there has been good maintenance of that market. I intend to discuss the national oil policy.

With regard to the Kennedy round and GATT I believe my colleague, the hon. member for Digby-Annapolis-Kings, will be taking up that subject later. There are also other aspects of the minister's speech and responsibilities that some of my other colleagues will comment upon. Certainly the operations of Eldorado will come under the scrutiny of the hon. member for Edmonton-Strathcona or I miss my guess.

I have the text here of the minister's speech in Winnipeg, and I think that the minister will agree, as will members generally, that there has been a very healthy development in that the increase in the volume of our exports, both as to quantity and as to price, has been in manufactured goods. I think it would have been necessary for us to pause and look at the situation much more closely if this had not been the case. If the increase were limited to basic or prime products then we would merely say that we were continuing and expanding our career of being hewers of wood and drawers of water.

I suggest to the minister that a good deal of the progress has been the result of the programs of really accentuated trade promotion that took place five or six years ago and extended into 1960 and 1961. I was a little disappointed that the minister, when speaking of trade promotion and trade conferences, did not indicate that there were any plans for a repetition of the very successful conference, confrontation, or whatever you want to call it, of our trade commissioners and members of Canadian industry. This took place on the largest possible scale in 1961 or late 1960. I think it certainly revitalized a whole section of the minister's department. I believe it has led to an entirely different atmosphere and has created a feeling of co-operation which has resulted in a large number of regional trade conferences between men in business and officials of the minister's department. It has led to greater co-operation between the federal Department of Trade and Commerce and the various provincial departments of trade and industry.

I would hope that the minister could announce that before long there is going to be another of these rather large gatherings, because as I participated in that conference I was able to observe the reaction of businessmen from western Canada, particularly from the province of Alberta, and many of our trade commissioners that this was the dawn of a new day. I do not say that conferences of this kind are necessary every year or every second year, but five years will soon have elapsed and I think another one is now called for.

Competition at the international level today is so acute that if Canada is not only to maintain its position but also to go forward there must be a really active, hard sell. People will not come here to buy. They will not walk in on their own. There must be aggressive selling. People can be brought here but they must be encouraged. I wish to congratulate the Department of Trade and Commerce and the minister for having maintained some of the momentum, but I do not think there has been quite the same momentum and I should like to see it picked up.

In Winnipeg the minister warned that unfortunately there has not been the same rate of progress from 1963 into 1964, that is, the same sort of optimistic upturn in our external accounts. There has been a great deal of capital spending which, as he says, has resulted in a resurgence of import demands. The fine increase on the export side has been matched by an increase in imports. If we leave wheat sales aside the 17 per cent increase on merchandise account is matched by a 17 per cent increase in merchandise imports.

But again I come back to the point that there has also been a very significant increase in the non-merchandise account, and it is the non-merchandise account that is most worrisome and the sector over which we have the least control. In the minister's address I noted the following sentence:

> It is not unusual that we should continue to experience a sizeable balance of payments deficit on current account in circumstances of rapid expansion such as now prevail. I have no doubt that a deficit of present proportions can be financed without difficulty.

Right away I ask: But for how long can we continue in this position and what has really been the price of past deficits? This is what concerns me. It may be that in a single year we can finance such a deficit without an undue drain on our foreign exchange holdings, but on the other hand it cannot be said that we can continue to do this. It seems to me that all too often we take the easy way out, like the man who is slowly going bankrupt and pays off his shortfall accounts by merely selling his assets. Eventually he will

run out of assets and then he comes up against the startling reality that he is bankrupt. This is something we must guard against.

The minister indicated that the aim of his department was to improve and to extend the Canadian industrial structure, and to do this not by restrictive measures but by maintaining a suitable economic climate by the right kind of incentives and by the promotion of exports. Well, I am just wondering. We have noticed that this year, in the second quarter, there has been a levelling off. I am hoping that the minister has been discussing this levelling off with his colleague, the Minister of Finance. Every time there is an upward drive in the cost of production of manufactured goods, the problem of our export trade becomes more difficult.

I would say immediately that one of the restrictive measures involved in so far as export trade is concerned was the imposition of a sales tax on machinery entering into production. I have not at any time been able to see the justification for the imposition of this tax on production machinery when we are trying, with all our might and main, to drive up our exports. I do not know of any other country that has done this. Surely to goodness this is something that I hope the minister will be able to take care of in discussion with his colleague.

Mr. Sharp: I wonder if the hon. member, while he is making this point, would discuss the implication of the 43 per cent increase in exports in June, which is during the period to which he has referred?

Mr. Lambert: The increases are not looked at month by month because it takes just a mere accident of shipping or certain other things to influence the comparison on a month to month basis. I could perhaps say that the 43 per cent would be accounted for by the hurry to complete the wheat deliveries. There may be a number of factors. If the minister is talking about a 43 per cent increase in June of this year as compared with June of last year, then that is a short space because you can see increases or decreases of perhaps 100 per cent from one day to the next.

Mr. Sharp: I was just commenting on the statement the hon. member had made, that during this period there was some slackening of exports. I was pointing out that June was the largest monthly increase we had had in the whole year.

Mr. Lambert: I said there had been a sort of levelling off, not a slackening or a drop.

[Mr. Lambert.]

There is a levelling off. I should like to draw to the attention of the minister perhaps some of the conclusions that have been drawn from the reports issued by the dominion bureau of statistics, in so far as the gross national product is concerned and a few other things that perhaps go to counter balance some of the glowing statements the minister made at the beginning. I should like to cite from a commentary made on the situation which appears in this morning's financial press:

> A midsummer slump in business activity may have dimmed hopes for a balanced federal government budget this year.
>
> The gross national product showed no advance in volume in the second quarter, a 1 per cent increase in value, to an annual rate of $46 billion, being matched by a 1 per cent rise in prices. The non-farm output of goods and services dropped in volume by about one half of 1 per cent.
>
> The fall in non-farm production, the first since early in 1961, was accompanied by a slackening in consumer demand, a build-up of manufacturing inventories and a 1 per cent decline in corporation profits.

I am not saying we are on the eve of a disaster. However, I want to point out that there are certain things which we cannot ignore, and we must not go around with our heads in the clouds saying that all is well in the best of all possible worlds. There are difficulties.

If I may turn to another aspect of the minister's speech in Winnipeg—and I should like to apologize to the committee for concentrating on this—there was one aspect in which I can support him entirely. This is when he says:

> The fact that domestic trade takes place in a more familiar and predictable environment, and therefore with less conspicuous effort, should not be interpreted to impute an inferior role to this part of our commerce. On the contrary, the benefits accruing from the exchange of goods and services are equally real, whether achieved in a national or international framework. Canada's voluminous inter-regional trade flows are, in fact, a key pillar of our economic strength and the relative ease with which this movement occurs in no way detracts from, but rather adds to, its value. We would, I am afraid, become painfully aware of the tremendous contribution of inter-regional trade to our economic life were we to experience a serious disruption to the free flow of goods and services, and productive resources generally, across provincial borders. At a time when larger trading units are emerging throughout the world by way of customs unions and free trade areas, it is doubly important that we fully appreciate the value of our unrestricted domestic trade.
>
> I suggest that it should be one of the primary objectives of this chamber of commerce—

I think of all Canadian businessmen and of all governments, if I may interpolate.

—and of its members to resist the efforts that are sometimes made to hamper the free movement of goods within Canada.

Now, Mr. Chairman, yesterday afternoon I had the oportunity of making a short intervention in the debate, at which time I stressed a similar point. I should like merely to refer hon. members to the remarks I made there and not repeat them. However, I will not back away from them.

Now, may I turn to the national oil policy which was enunciated on February 2, 1961? The minister has told us that production now is about 850,000 barrels a day, and this includes both the domestic market and the export market. At the time the policy was enunciated, if my memory serves me correctly, production was about 630,000 barrels a day. As the minister indicated progress has been made, but not without some difficulty. This was anticipated both by the industry and the government. The attitudes of both were appreciated at the time and it certainly is to the credit of the industry that they have been able to continue this achievement.

The national oil policy was a prediction on a five year basis. We are now approaching the end of 1964, and I should like to hear a good deal more from the minister with regard to oil and gas. The mere fact it is more or less concentrated out in the prairies and in northeastern British Columbia should not detract from its importance. After all, petroleum is the most important mineral in Canada today, in so far as production is concerned. I have here, Mr. Chairman, a publication entitled, "What the mining industry means to Canada", published by the Canadian metal mining association. I received it today. It certainly has some very illuminating statistics at the back, and I commend them to hon. members, showing precisely what the mineral industry means to this country.

It must be remembered that oil and gas are minerals and they form a great part of our mineral production in each year. Now, in 1963, the total mineral production in Canada was valued at $2,976 million. Of this, mineral fuels, which are coal, natural gas, natural gas by-products and crude petroleum made up some $882 million.

It may not be realized that the province of Alberta produces the second largest amount of minerals in the country, on a dollar basis. In fact it produces 21.3 per cent of Canada's mineral production, exceeded only by the province of Ontario which produces 29.4 per cent. I admit this is primarily oil and gas. There is some coal, but when we look at the production of mineral fuels in western Canada, and what these fuels mean both to our domestic and foreign market then I feel sure the minister will agree that he needs to pay a great deal of attention to them.

The industry has problems. It is operating in a very limited sphere so far as the export of oil is concerned. This is one of the most competitive markets in the world, taking into account both the quantity of world production and the geographical location of our fields in relation to markets in Canada and the United States. I am a lot more confident about the export market for natural gas than I am about oil, because I do not think it will be subject to the same vicissitudes, and I would like an assurance from the minister that a very close watch is being kept on this.

Each time there was a suggestion in the United States press that quotas might be imposed on oil, those now on the ministerial benches used to rise in their places and try to badger the minister's predecessor with respect to the efficacy of the national oil policy. The performance of that policy over the last four years is ample proof it was a wise one. The government of the day followed the wise counsel of the national energy board, and I would like to pay—

The Chairman: I regret I have to interrupt the hon. member but his time has expired, unless he is given leave by the committee to go beyond his allotted time. Is that agreed?

Some hon. Members: Agreed.

Mr. Lambert: I appreciate the courtesy of the committee in allowing me a few more minutes so that I may complete my remarks at this stage. Again with regard to oil and gas, may I point out that almost 72 per cent of our national production is produced in Alberta, 21 per cent in Saskatchewan and almost 5 per cent in B.C. We have a tremendous market for this product and there are pressures to sell more. We have approximately 15,000 producing wells which at present are producing at something like 55 per cent of their economic potential, and we also have the beginning of the development of the Athabasca tar sands in northeastern Alberta. These sands are just on the eve of massive development. Within three or four years we shall be seeing enough oil coming down the pipe line from the tar sands to keep one rather large refinery going, and this is only a mere beginning.

I have seen figures which show that the reserves of oil in the oil sands, sufficient for our requirements both in the export and

domestic market, will last 1,040 years, which gives an indication of the vast potential of the area.

I would like to hear the minister comment on the national economic council, which was introduced with a great fanfare in 1963. There was almost indecent haste to replace the national productivity council with it, and I would remind the committee that the national productivity council was doing good work. Its name was changed to the national economic council and the government replaced its membership to a large degree. Since then there has been a great silence from the council so far as real, hard results are concerned. Listening to the devotees of economic planning who now occupy the government benches, we thought we were going to get the formula for the economic development and salvation of the country, but this seems to be the best kept secret of the year because we have heard nothing of any consequence from the national economic council. At least the government has kept very close counsel in this regard.

It is now five o'clock, Mr. Chairman, and I shall conclude my remarks for today, but will continue them on another occasion.

The Chairman: Do hon. members of the committee wish me to call it five o'clock?

Some hon. Members: Five o'clock.

The Chairman: It being five o'clock I do now leave the chair so that the house may proceed to the consideration of private members' business as listed on today's order paper, namely notices of motions (papers), private bills and public bills.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Thursday, September 10, consideration in committee of Bill No. S-27, respecting the Bell Telephone Company of Canada—Mr. Brown—Mr. Lamoureux in the chair.

On clause 1—*Number of directors.*

Mr. Brown: Mr. Chairman, I have grave doubts that the amendment before the committee is in order. The bill asks parliament to enlarge the permissible number of directors of the Bell Telephone Company of Canada from 15 to 20. The amendment asks that three directors out of the 20 be appointed by the governor in council, and this is an innovation that goes far beyond the limits of the original act that incorporated the Bell Telephone Company of Canada and is, I submit, far removed from the scope of an amendment.

[Mr. Lambert.]

I would suggest to the hon. member who moved this amendment, which is so far reaching, that he withdraw it. An amendment of this type should not be brought before parliament except after careful thought, and at an appropriate time. It has been hastily drawn to meet this occasion and could have the opposite consequences to those intended. It would I think be chaotic if members of parliament, or retired members of parliament, or those deserving the favour of the governor in council were to be appointed directors of the Bell Telephone Company of Canada. The governor in council is not a body to appoint directors of a company whose shares are owned wholly by its shareholders.

The mover has, I know, good intentions in his amendment; but I doubt that he or his supporters seriously expect the Canadian parliament to pass it. Its passage would undoubtedly lead to the greatest confusion and to ultimate chaos, turning or prolonging directors' meetings into a fruitless waste of time. Every group asking to be granted a charter might be asked later on, if their company had signal success, to provide for the appointment of directors by the governor in council.

In addition—and I need scarcely mention this—this is an infringement of property rights and the liberty of the subject. It is far different from nationalization, and subsequent compensation to owners and shareholders. It is an invasion of that field of legislation reserved to the exclusive jurisdiction of the provinces under our constitution. It permits a wholly unwarranted intervention or intrusion by the governor in council into the private affairs of Her Majesty's subjects.

It is particularly significant that this innovation will affect the Bell Telephone Company of Canada, that most Canadian of all companies and a company which operates one of the most efficient telephonic communications systems in the world. The supporters of the amendment have stated that this type of interference by parliament is common in many countries of western Europe. I believe that France was mentioned as a country where some directors were appointed by the government and where the telephone system is partially owned by the state. I would ask any hon. member whenever he goes to France to endeavour to place a long distance telephone call in that country, a country where

the government appoints a percentage of the directors. I would refer hon. members to the issue of *Le Figaro Litteraire* for the week of August 27 to September 2, 1964, and to read therein the article by Monsieur François Nourricier. It took him more than 27 hours to make an urgent telephone call into Paris from a distance of 50 miles away. Merely reading the story would be a salutary experience for many of us. Do the Canadian people want to risk losing the efficient telephonic communications system that it enjoys at the present time in order to experiment with the fanciful provisions of this amendment? I say not, Mr. Chairman; although I want to add that I respect the mover of this amendment and many of the other speakers.

I would remind hon. members that very shortly the Board of Transport Commissioners for Canada is to review the financial affairs of the Bell Telephone Company of Canada. This is the body that represents the Canadian public in its dealings with the Bell Telephone Company of Canada. Will its functions be aided one iota by a few directors being appointed by the governor in council as a political plum, or honour, if you like, to defeated candidates or even to members of parliament? I would think not. Mr. Chairman, the amendment is unrealistic; it is eccentric and ill-conceived, and will never meet its intended purpose. If it is not wholly out of order, it ought certainly to be defeated in committee.

Mr. Mather: Mr. Chairman, I would like to say a few words on this subject. I speak in favour of the amendment which would add public directors to the board of the Bell Telephone Company, and I speak against the original proposal which would add private members to that board. I think it is very timely that we consider that only two weeks ago, as the previous speaker mentioned, the board of transport commissioners virtually called the Bell Telephone Company on the carpet so that it could examine its operations. I think this would be a most untimely period for us to extend the private control of that organization, at least until the board has, as it has announced it will, reviewed the operations of the company.

I need only quote from the statement issued by the board so recently on this subject to explain why many hon. members in different parts of the house are opposed to the extension of the Bell Telephone Company private directors board. I quote from the board's statement:

> The periodic studies made by the board's staff and the information supplied by the companies from time to time showed that there had been certain changes in capital investment, revenues, expenses, debt charges, dividend payments and retained earnings of the companies.

This refers to the Bell Telephone Company and to the B.C. Telephone Company. The statement continues:

> It would appear to be in the public interest that the board should hold a review by way of public hearings to consider the capital investment, revenues and expenses, debt charges, dividend payments and retained earnings of the company and the permissive level of the company's earnings and the basis on which such permissive level may be authorized for telephone rate purposes.
>
> The board does not intend to inquire into the propriety of existing rates or any revision thereof that may be requested in consequence of the board's finding which will be reviewed later if necessary.

The other telephone company mentioned in the board's statement is the British Columbia Telephone Company, whose profits have risen by more than 100 per cent since 1958. In the case of the Bell Telephone Company, which would add to its directors under the original motion, the total dividends paid increased about 75 per cent in the seven-year period from 1957 to 1964, or from $35.4 million in 1957 to an estimated $61.4 million this year. In other words, the Bell Telephone Company is making over $1 million a week from supplying privately a service that should be, surely, publicly conducted for use and not expressly for profit. This is the basic reason why we in this party feel that if any addition is made to the board of directors of the Bell Telephone Company, it should be done by the appointment of public directors, especially at this time.

The Chairman: Before I recognize the hon. member for Timiskaming I might mention that when the hon. member for Brantford spoke a short while ago he raised a point of order which I had a chance to consider quickly while the hon. member for New Westminster had the floor. Certainly I feel the same way as the hon. member for Brantford, namely that there is some doubt as to the legality of this amendment, which is unique perhaps in some ways. On the other hand, there has been discussion and debate on it and I believe it would be most unfair to hon. members who wish to take part in the debate if I were to rule on the point of order now. I suggest we continue the debate on the amendment now before the committee.

Mr. Peters: Thank you, Mr. Chairman. The remarks of the mover can be concurred in as far as I am concerned because I think

this amendment may have been hasty, and is unique. We in Canada are facing problems which should have been discussed years ago. I agree with the hon. member when he says that the Bell Telephone Company of Canada, which serves 400,000 subscribers in Ontario and Quebec, is a worth-while, highly modernized and efficient operation; there is no question about that. We in Canada are very proud of our telephonic communications systems. It is true that in Europe and even in France the situation is such that it would be easier to walk and speak to your party than use the telephone, but I certainly did not say or intend to imply that the telephone communications system in France is operated by government appointed directors, because I do not know whether it is or is not. I do know that many enterprises in France are in that circumstance, but I would not presume to say that their telephone system was.

The board of transport commissioners have, in my opinion, listened to some very odd arguments from the Bell Telephone Company in the past and it is interesting to note they have now decided to review the rates to the subscribers in the province of Ontario and the province of Quebec. The board of transport commissioners should have looked at these rates a long time ago.

A chap came into my office the other day who had been doing considerable work in the field of government investment, and it seems governments have involved themselves in communications systems to a large extent. In a country as large as Canada, interlinked as it is with the United States defence system, it is normal that a large system of communications which is absolutely necessary to any type of defence of our nation would be inter-related with other existing communication systems. In most countries I am sure there is a division between private systems in operation, even the monopoly civilian systems, and national defence operations. Because the Bell Telephone Company respect the government and receive co-operation from the board of transport commissioners, they have been an efficient organization, able to supply services required and are able to provide a large amount of money. They are also in a position to take advantage of Canadian and United States defence contracts.

We do not own our own system or even the trans-Canada telephone system, which itself is a pooling of hundreds of telephone systems throughout the country. In 1962 these contracts to which I have referred—I am talking here of the public tender contracts, not the type given to the Bell which are of a classified nature—amounted to approximately $6,385,000, and in 1963 to $6,869,000 approximately. For the month of August of this year they amounted to $13,277,000 approximately. So that in the first six months of this year they were more than double of the two previous years. That is a factor which must be taken into consideration.

Great emphasis is placed on the fact that this company is a Canadian company, but I do not think it really exists as a company except in the minds of the shareholders. This company is the American telegraph and telephonic system, I am sure. On paper it may be Canadian owned, but there is the same kind of subsidiary in the United States, Western Electric, and in the north there is Northern Electric, a totally owned subsidiary which manufactures parts.

The province of Quebec is interested in doing something about this question. I saw an official the other day who was talking to me about the legality of the action of the Quebec government in taking over the Bell Telephone Company in that province. It is my opinion that if the Quebec government wants to take over Bell's assets in the province of Quebec, they can be expropriated, provided they do not interfere with the federal charter which allows the company to operate on a national basis and is a link between the government, through the board of transport commissioners, and the public.

I think the Liberals had better look at this matter and not hide their heads in the sand. Somebody has to do something about Bell because the rates are far too high. They are almost double what they are in the three prairie provinces which have, in the main, a rural operation. The operation in Ontario and Quebec is mainly an urban one, and in the northern areas of those two provinces other telephone companies operate, similar to those in western Canada. I think the Liberals had better think twice before they reject this amendment. I think the directors of the Bell Telephone at the present time will be happy to accept this kind of control and direction and allow the government to have some small say in its operation, rather than allow the government of the province of Quebec to take over their assets any time they wish to do so by means of expropriation. Many people have said to me: "Let us expropriate the whole of the Bell Telephone". Let us go further and expropriate all the telephone communications systems in Canada, because they are pretty

vicious monopolies. It is impossible to conduct a conversation with a neighbour in a town, to operate a business in a community or to conduct any ordinary type of business without using the monopoly of the telephone company in any given area. In return for that there is some small measure of control by the board of transport commissioners. The board was not set up to look into telephone communications; they were set up to decide the tariffs of railways. They were not meant to decide whether the subscribers rate in Ottawa is $6.50 or $4.25 in northern Ontario, or $3.90 in the prairie provinces. That is not their function, and having talked to some of these officials I know they are not equipped to handle this problem. The public demands some control, and control along the lines suggested in British Columbia. Perhaps a federal charter should not apply and these companies should be forced to obtain provincial charters. If that were the situation I am sure that British Columbia would, by majority decision, expropriate and nationalize the provincial telephone system. I think that will happen in the province of Quebec earlier than the people concerned with this matter think. There is a great deal of interest in the province of Quebec in this possibility, and I can foresee a move being made towards the expropriation of the telephone systems in that province within the next two or three years.

Mr. Chairman, I want to be entirely fair in this matter and must say that it is not only the Bell Telephone Company that creates difficulty for the province of Quebec. I understand there are more than 150 telephone companies operating at the present time in the province of Quebec. Many of them operate very archaic exchanges, and rural systems badly in need of modernization. I suggest that will only be accomplished as the result of the Bell system being expanded in that province. I do not think a provincial system could accomplish this improvement unless it took over the large urban subscriptions, which would of course have an effect on the Bell Telephone Company.

The Bell Telephone Company vice president came to us several weeks ago in Ottawa and said in respect of this increased board of directors that one of the directors to be appointed would probably be a representative from a university. He said one of the directors would be a man now high in the academic field completely divorced from politics and business, but interested in providing the board of directors with some academic experience. He suggested that another appointment might be made from the industrial sector of the country and this appointee would provide information in respect of industrial aspirations in this field of communications.

Mr. Chairman, I had not heard a government member stand up and say, that if three appointments were to be made by the governor in council, they would be defeated political candidates, until the hon. member made that suggestion today. I had not heard a government member before say that these appointments would be political plums handed out on a patronage basis. I take off my hat to that government member. He has been much more honest and courageous than most members in discussing this very touchy and unique part of our political way of life. He says these appointees will be that type of individual.

Mr. Chairman, I do not believe the hon. member is correct in that suggestion. I do not contemplate such a development. I believe the individuals appointed in this way would be of the calibre and type the government has appointed during the last several years to sit on royal commissions. I think they would be exactly of the type suggested by the vice president of the Bell Telephone Company. One might well be appointed from the economic department of one of our universities. Another appointee might well be an outstanding banker from the Canadian banking association. Perhaps some man off the street would be appointed to represent the consumer. Such an individual could perhaps act as an ombudsman on behalf of the ordinary consumer. I am sure such a man would have experienced a disconnection of his service because he did not pay his bill during a time when he was away on holidays. Every member of this committee I am sure has experienced that situation. The telephone system of today has become so automated the companies really have little or no contact with the average subscriber. Perhaps we need an ombudsman in this field.

The government could appoint outstanding people, as both this government and the former government have done in the past. I am very proud of the fact that our governments in the past have seen fit to appoint men of high calibre to royal commissions and other like bodies. The majority of such appointments have not been made on a political basis, and the men appointed have not been unemployed politicians. The contribution which could be made by three outstanding members on the board of directors of the Bell Telephone Company could per-

haps stave off the nationalization of the system. While that may not be the normal way of accomplishing this, I think if it were successful it would be an excellent thing.

I am shocked that most government members are opposed to the type of innovation suggested by the amendment. I think it embodies something that should be attempted. If the sponsor of the bill was instructed to oppose this amendment, then I can only believe he was not fully aware of the situation at the outset. Three new directors, to be appointed by the government are required by this company. Unless we receive a satisfactory reception to this suggestion I think we are better off to kill the bill and let the present board struggle on as it has done in the past.

A young university lad, who is very interested in this matter, asked me why the company needed more directors. I was unable to give him an answer because I honestly do not know. If the A.T.T.C. took over the Bell Telephone Company tomorrow—I am not sure it did not take over that company some years ago—I am sure it would demand representation on the board. The latest telephone system taken over by Bell Telephone Company was a small exchange in Newfoundland, and I am sure that company was not important enough in terms of subscribers, in relation to the systems in the provinces of Ontario and Quebec, to warrant the addition of five new directors to the board. I do not think the situation which developed in Kenora in recent days has had the effect of making five additional directors necessary. I have very seldom, if ever, heard of an increase in a board of directors that did not accompany a change in the financial control of the company.

How much is paid to the board of directors? I am sure it does not exceed $50,000. I do not think this company would have any difficulty in paying that extra amount. I understand that something in the neighbourhood of $13 million to $20 million is spent in communications in the field of national defence. That being so, the telephone company does not need individual subscribers. The company is able to profit from communications in respect of restricted fields such as NORAD and the radar systems. This company also provides services in respect of computer operations, telex and other teletype communications systems.

The sponsor of this bill should reconsider his position and his instructions from this company, in refusing to allow the bill to pass containing the proviso that three of the five members of the board of directors be appointed by the governor in council. This company is desperate. I am sure the sponsor is aware of that fact as I am sure the board of directors is aware of it. It is desperately in need of closer communication with its subscribers. Do you know what the vice president told us, Mr. Chairman? He said: The complaints you make are being investigated and the president of the company has insisted that every complaint come to his attention. Think about that, Mr. Chairman. What is the poor president doing these days other than answering his fan mail from his subscribers? This is not the kind of thing he should be doing. He has a multimillion dollar enterprise to operate and he cannot be listening to the beefs of the subscribers.

The three people who would be appointed as ombudsmen on behalf of the Canadian people could listen to these complaints and I would surmise they would need a very large staff to deal with complaints because you cannot find out anything from the local manager. He really does not know anything. The billing system is based in Montreal. He has no power to make a decision. He does not know what has happened because the computer has not told him. Most of these computers are short on words and long on action. The action is taken long before an explanation can be given and to put a tracer through the computer probably is a very tedious and sterile process when the results are finally returned. When they arrive on the manager's desk I imagine he faces a very confused situation.

If the Liberal government is sincere in saying as they have said in the past that all they want to do is to provide the things the N.D.P. wants to provide but to do so in a more calculated and studious manner after a great deal of thought, they will find that the appointment of ombudsmen to companies that come to parliament for their authorization so that these ombudsmen may make suggestions on behalf of the people of Canada and supervise operations will be a highly acceptable, although novel, method of counteracting the nationalization that will take place in this field if the government fails to act soon. I think that many Quebec members can stand up and say that the taking over of the Quebec section of the Bell Telephone Company has been widely desired in the province of Quebec and is currently under active study by the government of that province. All you have to do is to look at your telephone bill to know why they have been very concerned

about this matter. If the government wants to protect the Bell Telephone Company the action of appointing ombudsmen may provide a safety valve for the subscribers that will be very effective.

In my opinion the governor in council will appoint reasonable, responsible and impartial people to the board of directors to act on behalf of the government of Canada and particularly on behalf of the governor in council and the general public in supervising the operations of the Bell Telephone Company. We must always bear in mind, Mr. Chairman, that this is a national monopoly. We have granted this monopoly to the Bell Telephone Company in a field where even the defence of our nation is involved and one failure might result in a disaster. Let me use an example because we must not be vague about this matter. I had the opportunity—

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

Mr. Walker: May I ask the hon. member a question?

The Chairman: With the consent of the committee, because the hon. member's time has expired. Is it agreed?

Some hon. Members: Agreed.

Mr. Walker: Is the hon. member suggesting that the government should also have the authority to appoint directors to the other hundreds, as the hon. member stated, of telephone companies in the country?

Mr. Peters: Mr. Chairman, I would be out of order if I went very far in discussing other telephone and communication companies. This question is very pertinent to the whole argument and the vice president of the company asked me if we were prepared to do this to other companies. I have checked the situation and it would appear that the only time we can take such action is when a company comes before parliament asking for further authorization. If such action were successful in this case I believe that the government would take similar action in the case of all federal companies. We can only do so now in the case of the Bell Telephone Company which has a bill before us, but if this method proves to be satisfactory I see the government asking authorization from parliament to impose the same statutory provision with respect to other companies.

Mr. Fairweather: Mr. Chairman, I do not agree with the method proposed this afternoon by the hon. member for Timiskaming but I do agree with the objective, and I think that in one of my longer speeches I should say so. I believe this matter could be settled with dispatch if the company would show good, modern social sense and ask the government to nominate three of the 20 directors. They were referred to as ombudsmen but in my view that is not a good term. They could be friends of the public on the board of directors of a company which enjoys a virtual monopoly. I think this would be the better approach.

I am surprised that a great company like Bell has not long since asked the government to nominate three of the 20 directors. This is not a very revolutionary proposal and if Bell would do this it seems to me that this bill would receive more rapid passage through parliament than it is getting. With regard to the last question, I think that any provincially incorporated company, if it has a monopoly, should accept representatives of the government on its board of directors. This is not an unusual thought. Some of these companies are controlled to some extent by public utility boards but it seems to me that there should also be nominees of either provincial or federal governments sitting on their boards as friends of the public. If Bell had displayed a sense of responsibility they would have asked for this and not left it to a committee to make them do it. If they ask for it I have an idea the bill will go through.

[*Translation*]

Mr. Laprise: Mr. Chairman, I did not intend to speak on this Bill No. S-27 which has already been discussed for several weeks.

The purpose of Bill No. S-27 is to allow the Bell Telephone Company of Canada to increase to 20, from 15, the number of directors which they already have or which they are entitled to appoint. This bill was referred to a committee of the house. It came back and we are now discussing an amendment submitted by the hon. member for Timiskaming (Mr. Peters).

Mr. Chairman, I believe that the Bell Telephone Company gives good service wherever it is in operation, and I am wondering how the services it gives could be improved by increasing the number of its directors. I truly believe that it could improve its services on all its lines throughout Canada, and I know that it is already attempting to improve them. So, I wonder why vague answers are given to questions asked in the committee, or no answers at all are made, when it is wished to increase the number of directors.

Mr. Chairman, before taking a stand on the amendment now before us there is a point I should like to clear up. On several occasions I asked for the report in French of the committee which considered this bill and once again this afternoon, I was told that there was no French version. On the other hand, for several weeks, the English version has been seen going around, but the French text of this committee report is not available.

Mr. Chairman, I am hard put to study the bill itself or the answers made to the questions. If that report is not presented to us in French, I shall have to move an amendment or a motion to postpone the discussion of the bill until we have the French material we need.

Mr. Chairman, on the amendment before us tonight which was introduced, I think, on September 10, I do not agree with the hon. member for Timiskaming that three of those directors should be appointed by the government.

This amendment is as follows:

> The business of the company shall be managed by a board of not less than five nor more than 20 directors, as may from time to time be determined by resolution of the shareholders, and each such director shall be the proprietor of at least ten shares in the capital stock of the company, or such other additional number of shares, not exceeding 40 additional shares, as the shareholders shall by any resolution passed at any annual general meeting, or special general meeting, from time to time determine; and the said board of directors shall be elected and hold office as hereinafter provided; and a majority of the said directors shall be residents of Canada.

Mr. Chairman, in this Bill No. S-27 amendment we have a dose of socialism, a small dose, if you wish, but a dose just the same. I think the government has available legislation giving it power to investigate any Canadian company. There is the Combines Investigation Act enabling the government to take a look at the operations of those companies.

I must admit, however, Mr. Chairman, that this act or these investigations into combines are not too efficient, because they are not always given the priority they should have. The considerable increase in the price of sugar that followed the last general election has not yet been forgotten. We asked for an investigation into combines and we were told that one was under way, that it would take a very long time before we would get its report.

If an effort were made, these inquiries into combines could enlighten us as to the actual situation and we would know whether the company or any other company in

Canada is providing reasonably good service to the Canadian public without obliging them to pay prices that are far too high.

That is why, Mr. Chairman, I am opposed to the amendment as it would enable the government to interfere directly in the company's business or in Canadian institutions.

Mr. Chairman, when the amendment is put to a vote, I shall have to vote against it for the reasons I have just outlined.

I will say no more about this because the debate is now on the amendment only. However, when we come to the various sections of the bill, I shall say what I think of Bill No. S-27.

Mr. Plourde: Mr. Chairman, I did not intend to participate in the debate, but in view of the various questions raised I want to mention that the discussion which has taken place with respect to Bill No. S-27 proves once more that when private industry —which we favour—becomes a monopoly or a trust, the government must take steps and assert itself.

The amendment now before us concerns the appointment of directors by the government. I am against this proposal for the same reasons my colleague from Chapleau (Mr. Laprise) mentioned a moment ago, since we favour private enterprise.

In my opinion, the Bell Telephone Company operates somewhat like a monopoly. Its rates are too high, especially if compared with those in other provinces.

For instance, in Quebec the monthly rate is $6.46, when the same service is available in Alberta for $3.50. As you can see the Bell Telephone Company really goes too far.

If we had the French version of the proceedings of the committee which considered Bill No. S-27, we would be in a better position to discuss it.

Once more I mention the fact that it is intended to appoint more directors, to whom very high fees will be paid which might entail increased rates.

Mr. Chairman, for all the reasons I mentioned I will vote against the amendment.

[*Text*]

The Chairman: Is the committee ready for question?

Mr. Cameron (Nanaimo-Cowichan-The Islands): I was interested in the statement by the hon. member for Brantford with regard to the French telephone system. I do not recall anyone mentioning the French telephone system. I think if he were to look at the situation in the whole of Europe, he

would find it had very little to do with public or private ownership. It has to do with the lack of subscribers to those systems. It is only in North America that you have these tremendous networks of telephone systems where virtually everyone has a telephone.

Like my colleague from Timiskaming, I was interested in the political plum aspect of the hon. member's discourse, and the rather cynical regard he has for his own government if he assumes they would appoint directors from the ranks of those who usually receive political plums. But, Mr. Chairman, as has been mentioned here, the company has never told us why they want five more directors. I was unable to get this information from the vice president in the course of a long conversation with him. All I got, to be rude about it, was windy nonsense about how they wanted to broaden the base of their directorate; they wanted to bring in people from the various walks of life, the academic and business world. It struck me as rather unconvincing and I am still unable to understand why they come before us for this purpose at this time.

For the life of me I cannot see that the addition of five members is going to make all that difference to them. On the other hand, the proposal made by my colleague, the hon. member for Timiskaming, that three of these should be appointed by the governor general in council, in the light of speeches a few moments ago, appears to have been received as the first sign of creeping socialism that is going to overwhelm the company.

I said when I spoke first, Mr. Chairman, that my, shall I say, more logical mind would have preferred to see an outright move for the nationalization of this company. I make no bones about that at all. It would appear to me to be the only logical course sensible people would follow, but I am well aware that we are not going to get that at the present time. In the meantime we need some measure of control and observation on behalf of the people of Canada.

I suppose the telephone business, more than any other type of business, is one that has been built up by its subscribers. It is a very different business from most large corporations producing goods, or even services. A telephone company is built—and the history of all our telephone companies is proof of this—by the contributions of its subscribers. The origins of most of the telephone companies in North America were extremely modest, with a very modest amount of capital originally invested and the assets of the company built up by the contributions of the subscribers—who are actually a captive group, because we cannot take our trade somewhere else if we do not like the telephone company. We have them or we have nothing.

For that reason it seems to me the telephone company is in a peculiar and singular position. It is a necessity for the operation of the modern industrial society. We just could not function without it, and that in itself appears to me to be one overriding reason why the public interest should be protected by the appointment of—and I have more confidence in this government than the hon. member for Brantford—the appointment of responsible people who would undertake their duties seriously, who would realize just why they have been placed in this position and would not consider it merely a plum for a defeated candidate or a reward for party service. Like the hon. member for Timiskaming I think that is a slur on this and previous governments because, while there have been such people appointed, there have also been some very useful appointments of this type.

I notice that there is great concern on the part of some members about the position of shareholders and the rights of shareholders in a telephone company, that they alone should have the right to appoint directors. No one seems to consider the rights of the subscribers or the rights of society as a whole, organized as it is today on a very complex basis and requiring the services of a telephone company in order to operate at all.

My hon. friend from Brantford was citing the horrors of the system in France. I do not know whether the telephone system there is publicly owned or not; I suspect it is but I am not sure. However, right in this country there are publicly owned telephone systems whose operations are in striking contrast to that of this multimillion dollar corporation, the Bell Telephone Company of Canada. In all the prairie provinces we have publicly owned telephone companies which operate in much more difficult and expensive areas as regards telephone service than does the Bell company, and in those provinces you will find just as good service as you get from Bell, and the price is less.

I see the hon. member over there shake his head, but I can tell him I have observed when I have taken up a phone in a city like Regina or Saskatoon that I get through just as quickly as I do when I pick up the phone in Ottawa. I have also observed something else, that when I have to use a pay phone in

the province of Saskatchewan I have to deposit only a nickel in the slot, not a dime. If the hon. member is looking for comparisons between public and private enterprise in this field he should perhaps take that particular situation into consideration.

Seriously, Mr. Chairman, I think it is time that the parliament of Canada recognized the developments in the world today, and realized it is ridiculous to continue regarding a telephone company of the dimensions of the Bell company in the same light as we regard other corporate bodies in this country. There are many that should be regarded in the same light. In fact I recall when I was having this interview with the vice president of the Bell company he was very plaintive and he asked, "Why do you pick on us? Why are we the ones who are to be penalized in this manner?"

It was interesting to note he seemed to think that the presence of publicly appointed directors on the board of directors would be a penalty, and that the company would be penalized by that. I assured him I was not anxious to discriminate in any way, that I would be only too glad to propose the same or even more drastic proposals for other corporations in the country, but it was his company's misforture that they had been the first to pop their heads up and enable us to do a little bit of hair cutting on top of their heads. I assured him when others came up I would be there with my shears to do the same with them.

An hon. Member: You have got the hon. member for Edmonton West worried.

Mr. Cameron (Nanaimo-Cowichan-The Islands): He has already been sheared. Seriously, Mr. Chairman, I would like to impress on Liberal members of the house who make claims, most of them I think quite sincerely and honestly, that their party is trying to keep abreast of developments in the modern world, that it is a flexible, pragmatic party that takes into account recent developments. This is one of the developments of recent years of which the party should be cognizant and taking action about, namely the development in our society of a privately owned organization which grew from very small beginnings and which now embraces not only this particular company but almost the bulk of the population of Canada in the services it renders.

For that reason I suggest the time is long past when this government, if it is going to do more than pay lip service to its claims, should be prepared to move into this field in the very modest way we are suggesting. If it had any courage I would suggest it move in much more drastically, but I am not going to suggest more than I think it is capable of doing. I believe members of the Liberal party should screw up their courage to take this minor step toward eventual public control of something which is essential to our society, something which should not be left without public control.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Chairman, may I call it six o'clock.

Mr. Walker: You are talking out your own amendment.

Progress reported.

Mr. Deputy Speaker: The hour for the consideration of private members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION.

Mr. Deputy Speaker: Pursuant to provisional standing order 39A, it is my duty to inform the house that the following questions will be raised at ten o'clock this evening: the hon. member for Danforth (Mr. Scott) automobile parts; the hon. member for Burnaby-Coquitlam (Mr. Douglas), national defence, La Macaza, Quebec.

[*Translation*]

The hon. member for Dorchester (Mr. Boutin), grants to Quebec cultural centres.

[*Text*]

The house will now resume the business which was interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,180,500.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

The Deputy Chairman: Order. House again in committee of supply; estimates of the Department of Trade and Commerce for the fiscal

year ending March 31, 1965. Vote No. 1. Shall vote No. 1 carry?

Mr. Prittie: Mr. Chairman, my colleague the hon. member for Danforth usually speaks for this party on trade matters, but he had a conflict of interest today; he is a member of the flag committee, and I hesitate to say which is the more important task. I shall comment briefly on trade policy and pose some questions to the minister; other members of the party will speak on particular votes of the department.

The hon. member for Edmonton West this afternoon said he would have liked a copy of the minister's statement before the minister read it in the house, so that he might be better prepared to speak on the estimates of the department. I would go a little further than that; I feel that a great deal of information is lacking to opposition members generally when they wish to speak on estimates. We have heard a great deal lately about the need for research assistance for members of parliament, and I think this is shown up very much at a time like this. The only resources we have are our own, and they are limited in some cases. But from reading the departments' reports and keeping files we can amass a certain amount of information on the departments in which we are interested. However, Mr. Chairman, I think the education of M.P.s should go further than that.

Quite a number of years ago I had a short and unsuccessful career in the Department of External Affairs, but there is one thing I do remember from it. When we came to Ottawa as a new group of officers, they did make some effort to educate us. The people from various branches of the government, treasury board, the Department of Trade and Commerce and the Department of National Health and Welfare were brought in to give us lectures. I think we were better people and had a better understanding of the government as a result. No efforts are made in this connection with new members of parliament. I suggest this could be done.

I was reminded of that this afternoon when we received notice that the members of the railway committee and other members interested could meet next week for a meeting on the new railway bill which is coming before the house. I think we could stand a briefing on the operations of a great many departments and we could do our job much better as a result.

Now, Mr. Chairman, I wish to make some comments on trade policy. I understand that setting trade policy for a country like Canada is difficult at any time. There is only about one thing on which Canadians generally agree with regard to trade policy; that exports are good and we should have more of them. Aside from that there is very little agreement. We have our producers of primary products who are in favour of exports and low tariffs. We have the manufacturers of this country who by and large are tariff protected; they are not too interested in exports—at least, they have not been until quite recently. Also they are not interested in imports at all. In addition to that we have our regional differences. Some parts of the country are much more interested in exports than others, some are interested in low tariffs and others want tariffs to be maintained.

There are very great regional differences, and I think as a general rule the western and Atlantic provinces are export conscious whereas the central provinces are protectionist conscious. These differences which exist in the Canadian business world are reflected, I think, within every party in this house. At the best of times I think it is very difficult to establish a trade policy which satisfies everyone in the country; but at the present time I believe this is particularly difficult because there are so many uncertainties. The whole question of the United Kingdom and its entry into the European common market is uncertain; the election in the United Kingdom might make some difference to the possible outcome of those negotiations, if they resume. The whole question of the Kennedy round within GATT is uncertain. I suggest that the outcome of the elections in the United States might make some difference to those discussions. The United Nations conference on trade and development was inconclusive and I believe will be resumed; but, again, it is hanging in mid air. Therefore, Mr. Chairman, with these uncertainties it is no wonder that no Canadian political party—and I will include my own—has a really coherent trade policy.

Now a word about the Kennedy round. As I understand it, at the present time the various countries are carrying on discussions with the trade groups within their countries to determine which particular items they would like to put forward for tariff reduction. I understand that the government of Canada is carrying on discussions with trade groups in this country at the present time and that they will meet later and sit down to some more bargaining. I think generally most of us want the Kennedy round to be successful. Certainly the Minister of Trade

and Commerce does, and he seems to be placing very great hopes upon these negotiations. If they are successful, I wonder whether the government and its policy-makers are working along the lines that I am going to suggest.

This party has advocated in the past that there should be some kind of trade adjustment act. Presumably if the Kennedy round negotiations are successful and we gain certain concessions in regard to trade with other countries, we will have to make concessions too; and undoubtedly this will affect our manufacturing industries. Some of them may feel hardship. I am wondering whether the policymakers within the government, in the Department of Trade and Commerce or any other department, are making plans for that particular day and have decided what is going to happen to the people who will be affected in the localities which may lose their tariff protection; what may happen to the workers in the industries that may be affected.

It seems to me we should be prepared for that day. If these discussions are successful, we should be prepared for the impact this will have upon Canadian industry. I should think central Canada would be particularly affected. I should like to mention one other point in connection with the Kennedy round: I think they all hope it will be successful, but has the Department of Trade and Commerce given any thought to the consequences if the talks are not successful. I know that the minister would probably prefer not to consider that possibility. However, it does exist. We must take into account for example such questions as the entry into the European common market of Canadian and United States agricultural products. We know there is great resistance in Europe to making concessions in this field. So far as I can determine from my reading, the president of France does not wish the Kennedy round any great success. It seems to me that if he could successfully prevent the type of result the late President Kennedy desired to obtain he would do so, as he prevented British entry into the European common market. It is likely that some of the problems facing the conference will be political as well as economic. As far as that goes, the success of the Kennedy round may be determined by which country has the greatest influence with West Germany—the United States or France. Failure is a possibility for which the minister's planners should be prepared. Are the minister's advisers ready with plans for a Canadian trade policy if the Kennedy round is not successful? I see the minister nodding his head; perhaps he could say a word about this question later.

I wish to turn now to discuss the resumed conference on the economic development of underdeveloped nations. I was at the United Nations session in 1962 when this question was under discussion. I know the developed countries accepted this conference with great reluctance; it was practically forced on them by the vast majority of the underdeveloped countries represented at the United Nations. I believe the developed countries were overwhelmed by the demands made upon them at that time. I believe there was a feeling that the underdeveloped countries were most unreasonable in their demands. This may have been the case. However, the need is very great. I hope Canada will show considerable sympathy for these countries and do what it can to make the resumed conference a success. This question came to my mind the other day when my hon. friend from New Westminster asked the minister a question about coffee prices under the international coffee agreement. My hon. friend showed some alarm at the increase in coffee prices in Canada and the western world generally. In reply the minister had this to say as reported in *Hansard* at page 8289, September 22, 1964:

> In answer specifically to the question as to whether Canada is satisfied with the operation of the agreement, I would say that this agreement can be improved; and it can be improved, I think, for the benefit of both consumers and producers. I would urge upon my hon. friend who asked this question that it is very much in the interests of all of us, including the consumers of Canada, that there should be reasonable prices for coffee, just as there should be reasonable prices for wheat.

I agree with the minister's sentiments in this regard. One of the problems which underdeveloped countries face is the great fluctuation to which the prices of the commodities they supply are subject. In past years they have often not had sufficient income to carry on the industrial and other types of development desirable. So it is in their interest that commodity prices should remain at a stable and reasonably high level. I cannot argue against that. The same considerations apply in the case of sugar, the price of which has been subject to severe fluctuation in recent years. I suggest to the minister that though there should be stability in the price of commodities supplied by underdeveloped countries the government should consider making some kind of subsidy so that prices do not rise too sharply and cause hardship

to consumers in Canada. I know this is a form of taxation; it is another form of external aid; but it is something which I think is fully justified. I suggest that if the underdeveloped countries generally were to have commodity agreements covering their products it would lead to the stabilization of prices and the elimination of one of the greatest difficulties they face. On the other hand, if the price were so high as to work hardship on Canadian consumers the government should consider providing some relief at home. The two interests could I am sure be balanced.

While we talk a great deal about expanding trade not only with underdeveloped countries but with developed countries which buy a great deal more from Canada than we do from them, there are many inconsistencies in our practices. Japan, though not an underdeveloped country, is a nation which certainly has an unfavourable balance of trade with Canada. Year after year we continue to ask Japan to limit the export of certain commodities to this country particularly in the textile field. Speeches are made by the Minister of Trade and Commerce and by his colleagues advocated more trade with these countries, while at the same time we are asking them to withhold exports to Canada. The question of textiles is an important one. Is any examination being conducted to find out what the future of the Canadian textile industry would be if there were general tariff cuts? There are presumably answers to these questions. If the tariff were cut by a certain amount, then a certain percentage of the industry in Canada would not survive. If the tariff were cut by a further amount, presumably the section which would not survive would be larger. It seems to me that such a study should be conducted because it does not appear reasonable to ask Japan to withhold exports to Canada at a time when that country is increasing her purchases from us. Not only is Japan increasing commodity purchases here but she is putting up a great deal of capital to develop mines so that the minerals she needs may be available to her. Certainly some group should be giving consideration to the impact of Japanese textiles on the textile industry in the future. I do not think there can continue to be too much protection. I think we shall have to accept more textiles from other countries. If it can be determined that there will be a serious effect on the textile industry, the kind of arrangement I mentioned earlier, a trade adjustment arrangement, should be made so that those who would lose their jobs would be helped during the transition period.

I suspect that our influence at these trade conferences, GATT conferences and United Nations conferences, is not very great. When the European common market on the one hand, and United States on the other hand, are bargaining I think we have to do the best we can. I am not convinced that Canada has a great influence on the outcome of these negotiations.

I gather from the minister's statements that our trade policy is simply to sell as much as we can. I do not know whether this is a sufficient policy or not. I pose the question, and I wonder if there is very much relationship between the internal monetary and fiscal policies of the government and its external trade policy. It seems to me there are inconsistencies at times. Perhaps we have still to determine what our goals are within the country. Perhaps these will emerge through the work of the economic council of Canada. If we knew where the Canadian economy was going we might know better what we want to see in the external trade field. I pose that as a question, Mr. Chairman, because there seems to be no relationship between the two.

Within the context of the trade policy of "try to sell as much as you can",—and that is the only policy I can observe at the moment—I think during the past year the minister and his department have done a good job. They have apparently successfully continued the selling job initiated by a previous minister of trade and commerce. There seems to be a great deal of activity on the part of the trade commissioners branch in promoting the export of both raw materials and manufactured goods. This export has increased, and I presume it will continue to increase in the future. In looking at the estimates and the budgets for those branches connected with trade promotions I note they have been increased.

We are pleased to see that this government has carried on the policy of the previous government, that of selling to all countries regardless of their international policies, and I am sure there have not been too many complaints on the part of the Canadian public or members in this house regarding sales to China, Russia, Poland and Cuba. We have been selling to any country that wishes to buy our goods.

In connection with Cuba, and I know the trade there is not too large, I should like to

pose this question. Since that country has been cut off from United States markets in respect of a number of manufactured goods, is Canada doing everything it can to gain those markets? I notice that Cuba recently purchased a large number of motor buses from the United Kingdom and has also bought manufactured goods from West Germany. Could we in Canada have obtained any of that trade? The general policy of selling to all countries is a good one, but I think it is dictated by necessity. The trade figures for Canada last year were very good, but what would they have been had we not had fortuitous wheat sales to Russia and China?

The department has carried on a vigorous tourist campaign, and I should like to say a word about that and about the Canadian government travel bureau. I understand some efforts have been made to attract Europeans to Canada as tourists, and more recently to interest Japanese in coming here. I think these efforts are very commendable but I am sure the officials of this department realize that tourists from these countries will always represent a very small percentage of our total tourist trade, and that the greater part of our tourist income is derived from United States tourists.

In looking over the department's report, I note that the Canadian government travel bureau has offices in only four cities, New York, Chicago, San Francisco and Los Angeles. This is one field of operations that might well be extended. There should be offices in cities such as Seattle, Portland, Minneapolis, Milwaukee, Boston and many others. Perhaps the tourist bureau could have more than one officer in many of these cities, because the tourist potential is very great in that country of roughly 200 million people. I think the government must do a double job in this respect. It must attract United States tourists here and convince Canadians to take advantage of the tourist attractions in this country. We are losing the tourism balance in favour of the United States.

The final point with which I wish to deal is one the minister referred to this afternoon when he made reference to relations between the Department of Industry and the Department of Trade and Commerce. He indicated that in his view everything was just fine and that there were no problems. Some of us have the uneasy feeling that there may be a duplication of effort. For example I was checking over the commodity branches of the Department of Trade and Commerce and I noticed they have several divisions including a chemicals division, an appliances division, an engineering and equipment division, various other products divisions, a metals division and textiles division.

In looking at information supplied by the Department of Industry I note there is a chemicals branch, a textiles branch and a wooden products branch. Among the tasks of these branches is the supply of market information to the related industries, and import and export analyses. There is a very strong feeling that the Department of Industry has grown very rapidly and that there is a duplication in that department of the efforts of the Department of Trade and Commerce. There are internal branches in both departments having the same name, and both departments supply import and export information.

The Department of Industry has now been in existence for over a year and perhaps there ought to be an independent analysis of its operations, particularly as they relate to the Department of Trade and Commerce, to make sure there is no duplication and that Parkinson's law is not operating within this new department. There is reason to believe that duplication exists between the two departments and I think this should be avoided if at all possible.

Mr. Chairman, I conclude my remarks by summarizing some of the questions I have posed, and in respect of which I should like to hear the minister comment. Has the government any trade policy other than that of, sell as many goods as we can; and what is the relationship between the internal monetary and fiscal policy of the government and its external trade policy? Is the government carrying out studies to relieve the impact upon certain Canadian manufacturing industries if the Kennedy round of discussions is successful, and are they developing policies which can be used in this country if the Kennedy round of discussion is unsuccessful? I realize that these are questions of some magnitude. However, the minister is very competent, has a large department under his responsibility, and I am sure we will receive some answers from him in this regard.

Mr. Olson: Mr. Chairman, I think the statement we heard from the Minister of Trade and Commerce this afternoon could properly be referred to as a bouquet of roses. He seems to think everything that has happened in Canada in so far as his department is concerned is good and that everything has been going along very nicely. He seems to think the

increases this year, as compared to those of last year, or in recent years, are satisfactory. He seems to think that they have been so acceptable there is cause for exuberance in respect of the whole Canadian economy.

At the outset I should like to state that the figures supplied by the dominion bureau of statistics, and received from other sources in this country, bear out to a great degree the extreme optimism obvious in the remarks of the minister. He has indicated that our future outlook in respect of wheat sales is excellent, although those sales may not reach the levels we have enjoyed during the past 12 months. He has indicated that there should be no difficulty in selling this year's crop. He has indicated that our export prospects in respect of lumber and iron ore are favourable, and have been carried on at a reasonably high level during the past few months. The minister has indicated there has been a substantial increase in the export of manufactured goods. We are pleased indeed to hear of these things.

When the minister referred to the matter of our balance of payments he did not say very much. I suspect one of the reasons in that regard is that in this area, in spite of the tremendous increases in certain commodities for export, we are experiencing an even more unfavourable trade balance in so far as our current account is concerned.

I am going to deal with this in a few minutes, Mr. Chairman. There are a number of other things I want to say. I certainly cannot cover the entire operations of the Department of Trade and Commerce but my colleague, the hon. member for Chicoutimi, will be dealing with some other aspects later.

The minister also spoke of new trade patterns that are developing in the world, and said that Canadians generally ought to recognize that we have to modernize our thinking with these things in mind. But he simply left it there. He did not say anything about where these trade patterns were developing, whether they have developed to the point where there is a continuity to them, and in what way they are changed from the old traditional patterns. I should like him to elaborate a little more on these patterns.

The minister also referred to the Department of Industry, its growth and responsibility and some of the things it is charged with doing. I think he also suggested that the Department of Industry is primarily concerned with Canada's internal trade, if I may use that term. I believe he also added that the Department of Industry is primarily concerned with increasing Canada's productivity while his department is more directly concerned with finding markets for products. That would appear to delineate to some extent the responsibilities of the two departments.

The Department of Industry has been in existence for about a year and I have had occasion to make representations to the department on behalf of some of my constituents, and on behalf of some industries in the province of Alberta. I want to say to the Minister of Trade and Commerce that the response by way of action on the part of the Department of Industry as a result of these representations has been less than favourable. In fact, until and unless they begin to show that they are in fact able to do something to promote the expansion of the industrial establishment in Canada we believe that they are not serving any useful purpose at all.

May I say to the Minister of Trade and Commerce that it seems to me that one of the functions of the Department of Industry should be to help Canadian industry to compete with certain imported products, at least in so far as taxation is concerned. The Department of Industry ought to assume the responsibility of seeing that the Department of National Revenue gives at least equal consideration to our own industries in so far as taxes are concerned, as opposed to products being imported from abroad. Some cases have been brought to the attention of the Department of Industry and the Department of National Revenue where there is in fact a much more favourable tax structure for the imported products. I will communicate the names to the department if they would like them although I think they realize that what is involved is bentonite or mud production in Alberta which is very important to the oil industry.

In addition, we have at least one potato dehydrating plant in Alberta that has been shut down for months and months. Repeated appeals have been made to various departments of government, and I might say that the federal government is involved because it is their processing patent, and the fact is, that problems with one of their patents are causing the difficulty. In spite of repeated requests to the federal government they have not shouldered any responsibility in regard to getting this very important plant back into operation by doing something to get around the litigation that is causing it to remain shut.

The Minister of Trade and Commerce suggested this afternoon that in the new tariff negotiations that are going on in Geneva and generally among many of the countries of the world Canada was going to be a tough but not reluctant bargainer. The minister has not indicated up to now whether or not any agreement has been reached between the participating countries in the GATT negotiations in so far as agricultural products are concerned. On May 11 a release was issued by the Department of Trade and Commerce in which the minister is reported as saying:

> When detailed negotiations have already been initiated with respect to wheat and other grains, the general rules and procedures for agricultural negotiations have yet to be worked out.

If they have not yet reached the stage where they know the basis upon which they are going to try to negotiate trading arrangements with respect to agricultural products, I suggest to the Minister of Trade and Commerce that they have got a lot of work to do yet. We remember that only a few months ago France threatened to pull out of the European economic community unless some arrangement with regard to trade in agricultural products within Europe was reached. We also know that there have been repeated indications in press reports from the United States that the biggest problem in the Kennedy round of negotiations was what they were going to do with agricultural products. I think that Canada has got to pursue this matter. Certainly we need to reach some agreement soon and particularly to lay down the ground rules for how we are going to proceed.

There is another thing that disturbs us about Canada's attitude in relation to the GATT negotiations and that is the way we seem to act with respect to our trade with Japan. The minister says that it is going to have to be a case of give and take and that we could not accept the premise of 50 per cent across the board changes and so on. I agree with all that but in our reluctance so far as Japan is concerned we seem to carry it almost to the point of absurdity. In another press release on May 4 this year the minister had this to say:

> As was the case for previous multilateral negotiations in the post-war period, the Kennedy round will be taking place within the framework and under the aegis of the GATT. The GATT is a comprehensive multilateral trade agreement embodying contractual rights and obligations and providing detailed rules and procedures for the conduct of commercial policy. The basic principles of the GATT may be summarized as follows:—

[Mr. Olson.]

I am only going to read one of them.

> (b) Prohibition against quantitative import restrictions except in carefully specified circumstances.

That sounds very good until you apply it to Canada's attitude toward Japanese imports. I believe that we are in fact acting in a wrong way toward Japan. We know that we have had a very favourable balance of trade with Japan over the years. We know that we have a large potential market there for more agricultural products, more iron ore, more timber, for almost all of the commodities that are produced in western Canada for export. But, Mr. Chairman, how can we expect to expand these markets unless we are going to buy something in return? Japan is just as correct in her contention that she must sell to Canada to pay for her imports as is the argument we use with the United States. So, I hope there is going to be a change of attitude on the part of the Canadian government in their dealings with Japan so we do not continue this so-called tough policy in so far as quotas and quantitative import restrictions are concerned.

There is one other very serious problem that I think the minister perhaps brushed over a little bit, if I may use that phrase. It is this matter of our balance of payments. When he was in Los Angeles on May 21 of this year, the minister had this to say:

> In the past 12 months, Canada's current account deficit has diminished, thanks to increased commodity exports, to a level of about $500 million a year. But this improvement is partly due to a strengthened communist bloc demand for cereals which is unlikely to hold at recent levels; the basic heavy deficit remains. And what concerns us here, the major source of this deficit continues to be Canada's trade with the United States. For while Canada enjoys a current account surplus of some $640 million a year with the world outside North America, our current deficit with the United States runs to nearly $1.2 billion. About half of this deficit comprises net payments of interest and dividends for which no short term reduction is possible; and most of the remainder is a deficit in merchandise trade.

Well, Mr. Chairman, to get some of the exact figures I turned to the dominion bureau of statistics. As I said, I do not want to throw any cold water on the minister's optimism. In so far as our increased activity in international markets is concerned, the latest statistics we have available come from the dominion bureau of statistics and deal with the second quarter of this year. I will not read all these figures but during the period April to June, between the years 1963 and 1964, our current account had a net deficit increase of $175 million with the United

States. In other words it was $346 million for the second quarter of 1963 and up to $521 million for the second quarter of 1964. The problem is, Mr. Chairman, in spite of the minister's optimism, that if we took away the unusually large shipments of wheat and flour to the U.S.S.R., these figures would look alarming. There is no indication at this time there is going to be a repeat order of that magnitude or indeed of any amount from the U.S.S.R. If all of these other things had remained equal, and leaving out that particular order, these figures would be alarming indeed.

So far as we are concerned, Mr. Chairman, we believe that it might not be possible to embark immediately on a policy that would require the United States to set up a trading policy that would give us the opportunity of selling to them as much as we are obliged to buy from them. However, I do not believe the Department of Trade and Commerce or the Department of Finance ought to be satisfied with anything less than the opportunity to sell in the United States sufficient goods and services to pay not only for our commodity imports from the United States but all of the interest, dividends and other commitments as well.

Now, it is all very well to say that we welcome foreign investment. It is all very well to say that this helps develop the country. But what has been happening over the years has been that we have been selling out more and more of our industrial establishment to pay for this. As I said, we believe that we ought to have an understanding with the United States that, on the one hand we be allowed to sell sufficient goods and services to the United States so that we balance, on the other hand, with the interest, dividends and cost of imports so far as Canada is concerned. There is only one conclusion that can come from carrying on the way we have been. If we do not have an opportunity to pay for the investments, whether it is money on loan, an investment in common stock or capital investment, the only other alternative is to sell out the ownership of our industrial establishment. In other words, Mr. Chairman, it seems to me that our aggregate obligations to the United States should be matched by the opportunity to sell the United States raw materials or manufactured goods, because I do not believe any Canadian is very happy over the prospect of selling out our industrial establishment to the tune of several hundreds of millions of dollars each year.

I want to say a word or two now about this matter of wheat and flour. I join with the minister in his optimism respecting what has happened during the past 12 months. Even at the risk of repeating myself I should like to say I do not want to throw any cold water on the achievements in so far as these markets are concerned. I do not want to take anything away from this very good record. However, I should like to say to the minister the picture is not quite as bright as he indicated, particularly when we consider our position in relation to some other countries. For example, I have before me a publication from the Searle Grain Company Limited, dated June 25, 1964, and it gives an indication of what the United States has been doing during the past few months in so far as the export of grain is concerned. I quote:

> For some time now, we may have tended to minimize U.S. competition by suggesting that it largely represented "give-aways" against which we in Canada could not compete. It will be noted that this is no longer true to the same extent. Over-all commercial sales by the U.S.A. this year to date are almost three times what they were during the corresponding period last year, while non-commercial or "special program" sales are only slightly higher, by less than 10 per cent.
>
> Noted particularly should be the gain in U.S. wheat sales to such countries as United Kingdom...

During the period about which I am speaking, between 1963 and 1964, the increase in wheat sales through commercial channels from the United States to the United Kingdom was 495 per cent; to Japan it was up by 115 per cent; to the Netherlands, up 119 per cent; to Belgium, up 373 per cent; to West Germany, up 54 per cent. These are not give-away programs, Mr. Chairman, these are sales of wheat that are going through commercial channels and for which these countries are paying.

When you look at the figures of United States regular commercial wheat sales they make our own sales of wheat and flour look a little less attractive. Again, I do not want to take anything away from the minister's achievements, but another point is that our over-all figures have not gone up as rapidly as those of the United States. Included in our expanded exports are the deals with the U.S.S.R. which we will not be able to repeat, or that at least apparently we will not be able to repeat.

Therefore, Mr. Chairman, again I voice the anxiety that we in this party have expressed on a number of times in the past. The tremendous sales we made to China and Russia are all very well, but will they take away from our efforts to expand our regular

commercial markets? If all our expansion of wheat sales are channelled into China and Russia and then are suddenly cut off, where does that leave us in relation to other friendly nations with which we should be expanding our wheat sales?

The indications of the past 12 months have shown that other nations are expanding in our traditional markets, and this is something of which many Canadian farmers are not aware. I want to repeat that I am not against the selling of wheat to communist countries, but let us not reduce our efforts to the point where other countries take over our traditional markets.

Our sales of wheat and flour to Japan have increased substantially, but we should look at what some other countries have been doing. I quote again from the Searle Grain Company report, this time from the issue of July 8:

> While Canadian spring wheat continues to be the principle ingredient in Japanese bread, U.S. hard winter is gaining wider acceptance, accounting for almost half the total U.S. wheat sales to Japan last year. In 1960, before U.S. promotion began to emphasize hard winters, exports of this wheat type were insignificant.

Here again we see some of the promotional and salesmanship efforts of the United States to gain part of our traditional markets, and I hope we will not relax our efforts to build up these markets.

Turning to the production of flour, I want to compliment the minister and the government for the action they took approximately a year ago when between 29 million and 30 million bushels of the Russian wheat order were delivered in the form of flour. This was one of the greatest boosts the Canadian flour milling industry had since the end of the second world war. A year ago approximately 50 per cent of the Canadian flour milling industry was shut down, and the amount of the wheat order delivered in the form of flour was approximately the same as the total unused capacity of the industry, and its ability to turn it out during that period of time. The industry appreciated that, but at the end of July the order was fulfilled. The milling had all been done and all the ships had been loaded.

Where do you go from here? Mills are again shut down. At this point it is not particularly distressing because some maintenance work had to be carried out in the mills. A lot of back holiday time was due to employees, and I expect some of the mills have been working to restore inventories in Canada to a reasonable level. However, we need some statement from the minister on future prospects for flour sales.

On a number of occasions the minister has told us he has had meetings with spokesmen for the flour milling industry. Each time we have asked him about these meetings his answer has been the same, that they were discussing the matter and were hoping to announce something soon. So far I have not seen any positive announcement which would indicate there will be any expansion of flour orders.

For years Canada has enjoyed a good flour market in Africa and southeast Asia, but now the United States with its give-away programs and foreign aid, has moved in and dried up many of Canada's traditional markets for flour. Something ought to be done by our government to convince the United States that the subsidies it is paying for exporting flour, even into commercial markets, are unfair and unjust so far as its large neighbour to the north is concerned. It is difficult for our mills to compete with the United States treasury, and in closing my remarks I would impress upon the minister that we would like some positive statement regarding prospects for the Canadian flour milling industry.

We would also like the minister to make a statement on the government's policy concerning our balance of payments with the United States. It should impress upon the United States authorities that we will not be satisfied unless we are allowed to export in commodity trade to them sufficient goods so that we can pay, not only for our imports from the United States, but also for our other non-commodity obligations.

I have in my hand a copy of the statement made by the minister in the House of Commons on June 17 when he announced the initial price for grain in western Canada. In that statement he said:

> I wish to inform the house that initial payments for the basic grades of western wheat, oats and barley delivered during the 1964-65 crop year will be at the same level as the present crop year.

I mention this because the minister is responsible to parliament for the Canadian wheat board, and I ask why it was that not until well in September were many farmers paid for the deliveries they made to their local elevators in August? If the government informed the wheat board on June 17 of what the initial payments were to be, why was it that the board could not authorize the elevator agents to issue the grain payment tickets until September? I know of points

in western Canada where grain tickets were not released until the first week in September. This means that grain had been hauled to the elevators and was in storage for five weeks before the elevator agents were authorized to pay for it.

In some cases they accepted advances under the Prairie Grain Advance Payments Act, but to me this was a silly procedure because in the middle of June the government had announced what the price would be. However, that information apparently was not communicated to the agents until September. We do not understand the reason for this. It is something which happened previously and I would like the minister to tell us why it is necessary to hold up these payments.

The minister has painted a very rosy picture of Canada's prosperity and of significant increases in trade with most nations of the world. We hope that some consideration will be given to the problem of balance of payments and to building up some of the traditional markets we rely upon for wheat exports and the export of other commodities, markets such as Japan which is interested in buying increased quantities from us.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I would like to address a few comments to the Minister of Trade and Commerce (Mr. Sharp) during consideration of his estimates, but before doing so I am going to read a few lines from the speech he made on September 28 last at the 35th annual congress of the Canadian chamber of commerce in Winnipeg.

I will then draw a comparison between what he said in his speech and the figures he is submitting to the house, as I have noticed that the minister was very enthusiastic when he made his speech and was particularly proud of export figures for the year. We are as pleased as he is, for we can see that he is giving special importance to exports in general and to wheat exports, a subject I shall not deal with here, since the member who spoke before me covered the matter very thoroughly. And it was only proper that he should do so, because the prairie people always know how to defend their special product—wheat—and we cannot hold that against them.

Mr. Chairman, I will quote some paragraphs from the speech which the minister delivered on September 28:

> To link the prosperity of Canada with its flourishing exportations has become a platitude. In fact, it is now evident that the increase in the gross national product in 1964 will be higher than the 7 per cent which it almost reached last year, which shows an increase in the rate of our development.
>
> The increase in our exports greatly contributed to this sustained expansion. For the period 1960 to 1963, Canada's merchandise exports increased by 30 per cent; to date, the exportations in 1964 increased by 23 per cent as compared with 1963.
>
> If the exceptional wheat sales are not taken into account—

This is exactly the point which I want to forget this evening, and the minister does not take it into account, because he speaks about merchandise exports.

> —exports are up by 17 per cent.

A little further, the minister says:

> However, according to available figures up to this day, this improvement of our external accounts was not maintained this year. The accelerated growth in the Canadian economy accompanied by sharply expanded capital expenditures has entailed a new upsurge in import demands. The merchandise imports—

Mr. Chairman, I draw the attention of the house to these words:

> So far in 1964, merchandise imports are up by 17 per cent over 1963, and payments for non-merchandise items are also up sharply.

Mr. Chairman, after reading those few lines, a question naturally comes to my mind. Who derived more benefit from these exports? To whom does the importation of manufactured goods, often made out of our exports of raw materials, cost more?

Even though we boast about being an exporting country, if foreign investors—since foreign capital is used to develop our natural resources—benefit from our exports to an extent of 80 per cent, Canadians must be satisfied with crumbs.

On the other hand, if the increase in our imports is equal to the volume of our exports for 1963-64, as suggested by the minister, and taking into account that Canadians are paying for 80 per cent of those imports, it means that the imbalance between our exports and our imports results in a double loss for the Canadian people in general.

Indeed, as we export mainly raw materials, thus disposing of our natural resources at a dizzy rate, we only guarantee crumbs for our people.

On the other hand, we import at an accelerated rate finished products which could advantageously come out of Canadian factories, thus avoiding the drain on Canadian capital necessary to the upsurge of our economy.

What is the purpose of building our economy by always reinforcing the top in such a way that, one day, the foundations will suddenly collapse?

Is it not wiser for a responsible businessman to satisfy the customers who are close at hand before trying to get the business of distant communities?

If, after his first ventures, the merchant finds himself with a surplus, it is normal for him to try to expand his operations. The same holds true for our trade relations. To try to make an exception to the general rule is to court deficits and bankruptcy. We are ridden with debts and deficits at present. The worst part of it is that we refuse to admit that we have made a mistake; indeed, so-called brilliant people claim that the countries and provinces which are getting into debt are those which are run by truly able administrators. We must come to our senses and realize that an economy has to be built from the bottom up and not from top to bottom.

At the risk of being at variance with our great socialistically minded economists, I will again state those great principles. Being the bridge between production and consumption, trade must not destroy one to protect the other. On the other hand, if the welfare of the individual is the end product of any economic system, one must get down to the level of the individual to assess the damage caused by an economy which fails to accomplish its purpose because one of its elements, trade, is not directed towards the achievement of the primary goal.

Is our trade not a striking illustration of the famous trade in ivory, which was practiced in African countries, when foreigners destroyed everything on that continent, giving the poor natives but a few pennies while removing all the wealth from their country.

In order to increase exports mostly carried on by foreigners, we are bleeding our country. For instance, in order to increase our pulp and paper exports, we let foreign companies ruin our forests without compelling them to renew them.

Why not compel those companies to replant a tree, under the pretext that this will give $6 a cord to the lumberjack, while this same cord of wood will net from $140 to $150 to that company to which all possible guarantees have been granted?

I am not opposed to lumber exports, but I believe they should be rational or—so our socialists may better understand—planned.

I say that trade should first serve regional interests, through the creation of manufacturing industries, for the requirements of the district, the province and the country. After this first stage foreign countries may benefit from our surpluses.

But, for God's sake, let us stop giving our raw materials at ridiculous prices and import them afterwards as finished products at astronomical prices.

That is the main reason for our adverse trade balance which reached the terrifying amount of $1,500 million in 1959 and which we reduced to $500 million in 1963, by allowing this national suicide of our natural resources.

If we keep that pace, Mr. Chairman, we will be able to pride ourselves of having sold out the wealth of our children.

Fortunately, the minister gives us a gleam of hope in indicating that he shall turn to domestic trade.

In fact if we take a look at page 6 of the report of his conference, we read:

> Exports are important, but let us not forget that about four fifths of our national product is disposed of on the domestic market and that a very large share of that percentage is represented by the inter-provincial flow of goods and services.

There is at least one story that the minister leaves us as a consolation and I hope wholeheartedly that it will not be merely a consolation but that he will make it a policy.

If the minister really wants to work in the way he indicated in his conference, he must absolutely turn to primary industry. And we shall succeed in that field by developing our domestic trade, the nearest to us and also the most important.

A man is only as free as he is self-supporting. The same applies to a nation. Our trading ideal must be a self-supporting Canada. To hit such a target, there is only one way: the development of our manufacturing industries.

Let us take a look at countries where planning was made from the bottom up, that is where private industry was the ward of the nation: we realize with great pleasure that such countries are not plagued with unemployment.

In Canada, where we have all the opportunities, we are obliged to import too many essential products because of irresponsible governments which were unable or unwilling to help our fellow citizens in their efforts.

That is a very serious failing. And when those governments took pleasure in bombarding the few Canadian industries that had had the courage to establish themselves with every type of tax, to the point of wiping them out, I cannot find words strong enough to qualify their actions.

Today taxes on Canadian industry and Canadian capital remain the public enemy No. 1 of our industrial and commercial development. Canadian capital is now being called up through all the propaganda media —it being added that this is how we can become masters in our own house. These calls make me think of moose hunters who imitate the beast's call the better to get it into range.

You may be sure that as soon as the new capital is on the market the tax inspectors and collectors will be on the watch. And those who are too daring had better watch out.

Do you really believe there is lack of capital in Quebec for instance? I do not. On the contrary, there are still well-lined stockings to be found in Quebec, but they are buried in the ground to avoid taxation. Canadians are not asking for very much in return for allowing the country to take advantage of the millions of dollars that are hidden away. The Minister of National Revenue (Mr. Benson) only has to assure them that they will be granted the same exemptions as those granted foreign capital in their own country.

Do you really believe that Canadian interests are better served by dealing so strictly with Canadian capital? Do you believe you are helping Canadian trade to develop by submitting small and medium industry belonging to Canadians to unbearable fiscal obligations? I believe that so far you have achieved exactly the opposite results.

Eliminate taxes on all Canadian capital for a few years. Grant some tax exemptions not only to the industries which dare to settle in a depressed area, but to any new industry, in order to enable them to survive the difficult first years.

In a few years you will be glad for having permitted new industries to make a new contribution to our trade.

The government is not to be given too much credit for the increase in our raw materials exports, since that increase is the result of a further ransacking of our natural resources to the benefit of foreign countries.

If, after supplying 90 per cent of the domestic market, the government should announce a high percentage of finished products in our exports, then it would deserve our congratulations.

Again, the time of long speeches should be over and the government should take immediate action at the regional level, through efficient and well planned marketing. Guaranteed markets is the key to the survival of our industries.

Let us consider agriculture. What made western Canada prosperous as it is today? The marketing of their products. When western farmers did not have those guaranteed markets, they were poorer than our Quebec farmers.

We need markets for our dairy products and their by-products. Markets for all our market-gardening industry, for our apples, honey, maple syrup, potatoes and all our fruits, wild as well as cultivated.

The Minister of Trade and Commerce travels around the world selling wheat, as if wheat is the only thing Canada produces. And when we talk "consumer goods", again we talk about wheat. This one-track-mindedness must cease; let us start looking upon the whole country as a possible trade zone, and not only upon one area of the country.

They say: We are going to double our efforts with regard to our domestic trade. There has been enough talking; it is high time we started finding the markets the eastern producers have been waiting for.

The minister has told us that he will oppose the economic balkanizing of Canada. I wonder if we have not been doing exactly the contrary for the last 25 years.

Let us first have trade equity within Canada; we can then be proud of a flourishing foreign trade, after having achieved the real goal of any sound economic system, the supplying of the domestic market, for the "better-being" of every individual.

[*Text*]

Mr. Otto: Mr. Chairman, I notice the minister looking my way and I assure him that I will be very brief. I should like to make one or two comments in respect of the remarks of the hon. member for Burnaby-Richmond. I do not see him in the house at this time, but he suggested that it would be a good idea for members of parliament to attend classes and receive lectures from the ministers. This is a novel suggestion in my opinion because I think members of parliament do not generally want to listen to lectures on the part of ministers, but rather deliver lectures to ministers.

Mr. Chairman, I intend to confine my remarks to that very limited item in these estimates in connection with tariffs on automobile parts and the related agreement. If I understand the situation correctly, under a proposed agreement, Canada would allow the import of certain parts made in the United

States, provided Canada could export an equivalent amount of parts. I understand some of the manufacturers of United States automobile parts are not happy about this arrangement and are urging the government not to put tariffs on our exports because that would, in the vernacular, queer the whole deal.

Mr. Chairman, I think the suggestion proposed in respect of this automobile parts agreement represents a very important part of our export policy, and I hope to see this type of thing adopted as trade principle. I certainly urge the minister to do everything possible to keep this agreement in effect.

In view of certain objections on the part of United States automobile parts manufacturers toward this agreement, will it not be possible to include, so far as Canada is concerned, not only car parts but parts for farm tractors, motorcycles and other pieces of machinery of this type? I suggest this machinery all falls within the same or a similar category.

As one hon. member opposite has stated, everything should be done to continue these transactions, because it is possible for this country to maintain a balance of trade, yet not really use to capacity our own resources. One must consider that we sell $1,700 million of aluminum, but that amount actually represents electric power, transportation and other services. Does it mean on the other hand that we can import $1,700 million of automobile and farm machinery parts? The same situation is true in respect of the export of gas and other raw materials, or a combination of them.

We will eventually have to propose to other nations with which we hope to carry on trade that we import no more than we export, or we export as much as we import. I am sure if every nation followed this practice the balance of trade would depend on quality rather than quantity, and the country which could produce an article better and more efficiently would be the country which would have a better import-export balance. I have no doubt at all that here in Canada we could develop an aircraft industry second to none in the world. We have the raw materials, cheap power and the know-how, and there is no reason at all why we should not become the world's most efficient producers of aircraft. This is a product in respect of which there is no transportation costs because an aircraft can be delivered to any place in the world.

Mr. Chairman, I suggest the outcome of the trade situation developing will depend upon agreements such as the one I have envisaged. As an example, if I manufactured air conditioning equipment, and I might say that I have, and I exported $1,000 worth, I should receive a permit to import $1,000 worth of equipment of the same or a similar category. If I do not use that permit, rather than the government taking the tariff charges as a penalty I should be able to sell the permit on the open market. I might then receive 18 cents, 20 cents, or 30 cents on the dollar, which would help me balance my export-import situation, and would at the same time do something for the tariff position. I suggest the situation would balance out automatically and assist in providing a balance of employment and a balance in terms of supply and demand. We need to have a balance of export and import trade in accordance with skills, man-hours of skills, but not necessarily dollars because dollars are not a true criterion. I said I was going to be brief. I would urge the minister to do whatever he can with American manufacturers and the American government in this very important field, so that we may continue this agreement with the United States and be able to expand it to other categories of products from time to time.

Mr. Irvine: Mr. Chairman, I should like to say a few words tonight with respect to trade and commerce. I was interested, and I am sure many other hon. members were, in the statement of the minister this afternoon. I am also sure that a great many will be interested in reading *Hansard* tomorrow in order that they may get the full portent of his complete statement including, of course, some of the statistics he quoted. He delivered his speech very rapidly. There were a number of things I should have liked to write down but that was impossible and I am sure many other members also found it impossible.

However, Mr. Chairman, I believe the first sentence the minister uttered in his report to the house this afternoon proved the falsity of the Liberal campaign charges that the Canadian economy was stagnant. The committee will recall that in March and April of 1963 many such statements were made. One of the Grit slogans of that time was: "Let's get the economy rolling again". But the minister said this afternoon and also in his speech recently at Winnipeg, I believe, that the advance in the economy commenced some four years ago. That would place it in 1960. I should like to compliment the minister on his honesty. I think what he said is

a wonderful tribute to the former minister of trade and commerce and it is also a tribute to the former minister of agriculture.

I should have liked to speak very briefly this evening on a subject which I am afraid might be forbidden. I believe the operation has been transferred from the Department of Trade and Commerce to the Department of Industry. I was going to speak rather briefly on the subject of the plight of the small businessmen and it is unfortunate I will not be able to do so, because they are having great difficulty. I believe this matter now comes under the Department of Industry. I should like to have some clarification on that point because there is so much duplication and it is difficult sometimes for a new member to know exactly what department is responsible for some of these matters. This causes a great deal of confusion particularly in the minds of the newer members.

I should also like to mention at this time that while the minister has been particularly optimistic, which is perhaps a very good thing, there have been many impediments thrown in his path, one in particular which I will mention. I refer, of course, to the 11 per cent tax on production machinery. Naturally this increases prices and when you increase prices there is a tendency toward pricing yourself out of certain markets. But in spite of that we must say that the minister's department has certainly made progress. This is what we are all looking for, of course, because I think most members of the house are first of all Canadians and, second, party supporters.

I should like to say a word or two tonight about the imbalance of our export-import trade. In 1963, for example, our trade with the United States amounted to about $8.41 billion. This represented roughly 62 per cent of our total trade. I am just wondering whether as a trading nation we are on a very sound footing when we do approximately twice as much business with the United States as we do with the rest of the world. In 1963 our purchases from the United States amounted to over $500 million more than the amount of our sales to that country. This is made somewhat more easy to take in view of our favourable trade balance, in some cases very favourable, with such countries as the Soviet union, Japan, China, West Germany and, of course, Great Britain. But I think this is a time when we should be particularly objective in our thinking because sooner or later these countries where we enjoy these more favourable trade balances are going to demand a greater amount of our import business, and when they do we are not going to be in any position to turn a deaf ear to them if we hope to continue to enjoy the amount of business we do with them at the present time.

The minister referred to certain statistics this afternoon and I hope I have it right, that exports to the United States are up 11 per cent this year and exports to Great Britain are up 21 per cent. Mind you, on the surface this looks pretty good but let us look at the situation from another angle. In the fiscal year ended March 31, 1964 we had an increase of something like 6 per cent, and while this looks good it is not so reasonable when you consider that our general export business increase was something like 11 per cent.

Why do we export mainly only to the larger countries? I think this is something to which we should give a great deal of consideration. Why should we not look a little bit farther into the future? This afternoon we heard about what has happened in the past, but what about tomorrow and next year? What is our policy? What is the matter with our vision? Why is the bulk of our trade done with the United States, Great Britain, France and Germany?

Mr. Sharp: Because they are the richest countries.

Mr. Irvine: In 1963, for instance, we did twice as much business with France as we did with the entire Middle East. Our sales to Japan were three times our sales to all of Africa. In the whole of South America our sales were less than those to West Germany. What is the matter with our sales efforts? Some years ago I was quite interested in sales work. I had a staff of some 200 salesmen working under me and our market was the entire Dominion of Canada. We used to sit down from time to time, assess the situation, go over the whole area, mark out those areas of the territory that we covered and try to improve our sales efforts in every area.

It is our business to develop trade throughout the entire world and, knowing the Minister of Trade and Commerce as I do, I would imagine that he must be sitting down and assessing the whole picture with a view to a rapid expansion of our trade policies. There used to be an old slogan we referred to in our sales work and I am sure it would come in handy today. We used to say: "First you plan your work and then you work your plan".

The optimism shown by the minister is a wonderful thing but you cannot allow that to go too far because the next step could possibly be apathy and maybe indifference. At some time we might find ourselves in the position of the proverbial ostrich which placed its head in the sand. I think we should pull our head out and take a very good look around to see what there is in the way of export markets where we could expand.

To take a look at the South American continent, last year we purchased from Brazil approximately $31 million worth of merchandise. However, we only sold them about $29 million worth of goods. Here is a country conveniently located, with a rapidly growing population now of over 75 million people. Surely this is a convenient market that should be explored to the nth degree. I should like to suggest, Mr. Chairman, that the accumulation of all these things could have a profound effect on balancing our budget and also in assisting us in attaining a balance of import-export trade.

There are a couple of questions I should like to leave with the minister, and I am sure he will provide the answers. First I should like to ask, what are the plans for the future? What is to be our trade policy? Second I should like to ask about the budget of Expo '67, which was mentioned in the house this afternoon. We have heard many other names for it, but I rather like this name. I should like to know what is the total cost to date to Canada of the 1967 fair which has been referred to as Expo '67. I should like an answer to that. There are two more questions I should like to ask in connection with this exposition. What is the anticipated total cost of our 1967 world fair, that is for the entire operation? What disposition will be made of the permanent buildings. These were paid for with the taxpayers' money. What part of that money will be recaptured, and how is it to be decided? I think the public is entitled to the answer.

I should like to place it rather firmly on the record, Mr. Chairman, that I am wholeheartedly in favour of this centennial world fair or Expo '67 as you may wish to name it. I think this is a good location. When we have the Canadian national exhibition in Toronto, it would seem only right that we should have the other exhibition in the largest city in Canada.

Mr. Sharp: I wonder if the hon. member—

[Mr. Irvine.]

Mr. Irvine: If the minister would give me one minute more, I shall be pleased to give him the floor.

Mr. Sharp: I do not want the floor, I just wanted to be clear about the question the hon. member asked so I would be able to answer it accurately. Can he tell me what he means by the first question, as to what is the expected total cost? What is the hon. member taking into account? Does he mean the net cost taking into account the revenue, or is he talking about the total investment in the exposition?

Mr. Irvine: The total cost I had in mind is the total cost of the entire Expo '67, the total budget for the entire fair. I should like to close by saying that I think this is likely one of the finest, if not the finest public relations effort we have ever planned in the interests of this great country of ours.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, having been engaged in international trade for several years, I am of course still very interested in problems arising out of international exchange of goods and services.

This afternoon, I listened to the Minister of Trade and Commerce (Mr. Sharp) with the same attention as that with which I follow his activities. I think the English proverb "The right man in the right place" applies very well to him. I recognize that he is a great negotiator; I must pay this tribute to him. I should also say that his parliamentary secretary is a great help to him.

Furthermore, I must add that he has the support of a remarkable team of men of great merit, stationed in strategic posts throughout the world, to conduct business on behalf of Canada. I see in the galleries several officials who second his efforts here in Ottawa. As a matter of fact, I remember a few I met in Brazil, for instance, and I could name Mr. Holton, in Sao Paulo, and Mr. Cole, in Brasilia, remarkable polyglots very anxious to expand our trade with South America.

At this stage, I should like to stress the importance for our representatives abroad to speak French and English perfectly, because those are two great international languages understood throughout the world.

It is especially during this trip that I became deeply convinced that the exchange system was definitely defective.

Mention was made over there of *operaçoes paralelas,* parallel operations, that is, goods

exchanged against the mutual acceptance of each currency, according to a predetermined equivalence.

So when I came back it occurred to me to introduce Bill No. C-24, whose purpose was to permit the Bank of Canada to keep in its foreign reserves up to $500 million in unconvertible exchange, in order to greatly increase our external trade.

Then, an hon. member opposite said that to reach that goal, the Bank of Canada would have to sell $500 million of Canadian securities. What a monumental joke. One has to be unaware of banking operations to make such a suggestion.

That is why I should like to quote what Mr. James H. Gallager, of Toronto, wrote to me recently.

[*Text*]

The present world monetary system is not the type of system which promotes prosperity in all nations...All nations should exercise control of credit and currency within their own boundaries. A world monetary system does not require financial contributions from 102 member nations to operate efficiently. All that is required is for a world bank to have currency which would be used and accepted by 102 member nations to make up deficits in trading transactions between nations. Within nations themselves, the central banks of nations can balance potential consumption of goods and services with potential production of goods and services within nations.

[*Translation*]

In my opinion, this Canadian citizen in Toronto is perfectly right.

I suppose that the minister attended the meeting of the international monetary fund when he went to Japan recently.

Perhaps he had an opportunity to hear Mr. Valery Giscard d'Estaing, the French minister of finance, propose an improvement of the international payments system by the abolition of the gold exchange standard because that is the basic cause preventing the exchange of products between countries.

Incidentally, I should like to point out that Mr. Giscard d'Estaing is recognized as one of the best financial experts in the world. In fact, in its issue of September 25, 1964, *Time* Magazine published an article praising him highly and stated that because of his financial administration, France had a balanced budget for the first time in 34 years.

Mr. Chairman, we must open our doors to friendly countries, because Canada is a country of abundance, except for the 3,800,000 Canadians living in poverty, and we can trade with all those nations to exchange our agricultural and industrial products, and even our services. In that regard, I think the Minister of Trade and Commerce should use all his influence to promote a Canadian foreign trade bank, on the model of the United States export-import bank, and of the French bank of foreign trade.

A Canadian foreign bank could look after credit operations concerning the financing of foreign trade, including the documentary credit, because Canada is a trading country and all banking facilities must be made available for the exchange of our products by some institution of the federal government, to which belong the monetary authority and power.

I feel that a serious mistake was made in 1961 when the government allowed chartered banks to acquire the Export Finance Corporation of Canada Limited, a company set up by a special act of parliament in June 1959, and whose main purpose was to help finance exports guaranteed by the Export Credit Insurance Corporation, a state corporation.

Through this finance company banks make further loans (bank or scrip money) which are also guaranteed by the taxes of the Canadian people. This is an abnormal combination because it is not normal that Canadian taxpayers should take all the risks instead of commercial banks.

At this point I should like to say a few words about the textile industry which faces tremendous competition because this industry employs a great number of Canadian workers and must be protected at all costs.

We know that Japan has taken a rather firm stand, but we must always keep in mind that we must protect the industries with a large labour force as it is an essential step to eliminate unemployment.

Mr. Chairman, these are a few suggestions I wanted to make to the government so as to increase our trade, because our economy is too vulnerable, as a result of the concentration of the majority of our exports to a few countries only.

[*Text*]

Mr. Scott: Mr. Chairman, in rising to participate in this debate I first want to say I am very sorry I was not in the chamber this afternoon. I was anxious to hear the comments of the minister, but unfortunately the work of those of us who are on the flag committee is occupying such a large amount of our time that it detracts from the opportunities we have to sit in the chamber and hear some of the proceedings. Therefore not being able to say much about the minister's speech, if I can last for another three or four minutes

on generalities I may have the opportunity to adjourn the debate, then study his speech and comment on it at the next opportunity.

All of us who study this department are impressed by its complexity and by the difficulties an ordinary member experiences in trying to assess a department of this size and to assess the work of the minister. One of the problems we have is a serious lack of a good statistics gathering service. I am of course thinking of the d.b.s. upon which all of us rely. The information we are able to collect is that the statistics gathering agencies of the government are starved for personnel in many areas. We hope this is wrong, but I would be interested in the minister advising the committee on the recruitment requests that have been made by the various agencies of the d.b.s., on how many people they have recruited for additions to their staff, on how many of these have been recommended by the minister and, more importantly, on how many of them have been turned down by treasury board.

It is my understanding that these agencies have requested additional staff in very considerable number, that the minister has concurred in this, but that it has been rejected by the treasury board. If this is so it is a sad state of affairs, because I do not know how the minister and, more importantly, how individual members of parliament will be able to judge some problems if they do not have the necessary statistical information available.

For example, I understand a very small degree of good planning is taking place in some areas and that the government has discontinued real studies on input and output tables with any great degree of regularity. Without this kind of economic research it is hard to know how we can do any real effective planning.

I would like to know the size of the economic research staffs. Again it is my impression they are pretty thin in numbers, and if we are to do a fair amount of planning an increase of some 200 per cent to 300 per cent is necessary in the staffs of many of our research units. If we are going to do effective planning we have to have this help available. Mr. Chairman, may I call it ten o'clock.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to ask the house leader about the business for tomorrow and an outline of the business for next week.

[Mr. Scott.]

Mr. Favreau: For tomorrow, Mr. Speaker, —and about this I have advised the house leaders—we will first proceed with item No. 70, which is a resolution to refer the matter of the water levels of the great lakes system to the standing committee on mines, forests and waters. I expect, or hope at least, that the discussion on that matter will be relatively short. Then we will take the balance of the estimates of the Department of Mines and Technical Surveys, after which we will proceed with discussing the balance of the estimates of the Department of Citizenship and Immigration. This will be followed by the estimates of the Department of Defence Production, to be followed by the estimates of the Department of Trade and Commerce.

On Monday we will resume debate on the farm machinery bill, after which we will take the resolution on the Crop Insurance Act, which will be followed by second reading of the bill to amend certain acts administered by the Department of Insurance.

Mr. Winkler: Let us do the first three tonight.

SUGGESTED HOLIDAY ON THANKSGIVING DAY.

Mr. Favreau: Mr. Speaker, I wonder if the house would agree to revert to motions.

The Acting Speaker (Mr. Batten): Does the house agree to revert to motions?

Some hon. Members: Agreed.

Mr. Favreau: Mr. Speaker, I wonder if the house would give unanimous consent to not sitting on Thanksgiving day, Monday, October 12?

Mr. Fairweather: What recess have you got in mind?

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, our party is not immediately prepared to give its unanimous consent so that the house will not sit on that Monday, because the Minister of Justice (Mr. Favreau) did not tell us why we should not sit on that day.

As we have a lot of work to do, we believe that the population of this country deserves that we work on its behalf and that it would be to its advantage for us to sit on Monday, October 12 next, like on any other day of the week.

That is why we refuse to give unanimous consent.

[*Text*]

Mr. Winkler: Mr. Speaker, in speaking to this particular matter, inasmuch as October 12 will be the day of the visit of Her Majesty to the capital, and inasmuch as the Queen is the Queen of Canada, we suggest that the motion the house leader is putting before the house is the only course that should be followed.

Mr. Knowles: Mr. Speaker, we would favour such an order being made, but perhaps the Minister of Justice (Mr. Favreau) might let this matter stand until tomorrow. I think if we had a meeting of the house leaders on the point we could probably arrive at agreement a little quicker than we can here and now. If my understanding is correct, the minister has not taken it up with any of us, although I think he had the right to assume that we would agree to such a proposal. However, Mr. Speaker, perhaps if we had a meeting we could reach agreement.

Mr. Favreau: Mr. Speaker, I am ready to state that it was just sheer enthusiasm or optimism on my part; but I had given notice to the hon. member for Lapointe (Mr. Grégoire).

Mr. Churchill: Let us agree to it right now. That is just obstruction.

Mr. Winkler: Let us have it right now.

The Acting Speaker (Mr. Batten): Order. Does the house give unanimous consent not to sit on Monday, October 12?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Batten): There is no unanimous consent.

Mr. Grégoire: No, Mr. Speaker.

Mr. Alkenbrack: What is the reason for that?

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL DEFENCE—LA MACAZA, QUE.—TREATMENT OF PEACE DEMONSTRATORS BY R.C.A.F. POLICE

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, for almost three weeks I have been asking the government to investigate a disturbance which took place at La Macaza, Quebec, on September 9 and 10, at which time it was alleged that there was ill treatment of certain persons who participated in a peace demonstration. This afternoon the Minister of National Defence (Mr. Hellyer) gave the house a report. In my opinion that report was a travesty. In the first place, it was not an independent investigation; it was an investigation based entirely on reports from the minister's officials. I would hardly expect a report to be objective that was made by men who are asked to give their opinion on their own competency or the competency of their subordinates.

The minister endeavoured to dismiss the whole matter by quoting from a press dispatch. If it was the same one that I saw, it was a dispatch of September 10 in the *Globe and Mail* which said that the demonstrators were pleased with the results and that they considered the whole demonstration a successful action.

If the minister is that good at reading press reports he might also have read some of the other press reports. He might have read the press report of September 16, which gave the account of a Miss Kathleen Moses, a Queen's university student who comes from Niagara Falls, who claims to have been kicked. He might have read the report of Miss Alison Gordon of Edmonton, who said that one of the servicemen at the base who was a friend of hers wrote afterwards apologizing for the rough treatment she was given. He might have read the *Globe and Mail* of September 17, which quotes Dan Daniels of Montreal, Andre Cardinal of Montreal and Peter Boothroyd of Toronto saying there was beating and brutal treatment of some of those who took part in the demonstration. I do not know whether those statements are accurate or not. I have a letter from a woman in Montreal who participated along with her two daughters, and she said she was thrown in a ditch and so were her two daughters, that servicemen jumped on them, and that she saw people being kicked while they lay on the ground. I do not know whether these statements are accurate but there is one thing I think the house and the country should understand. These were not young roughnecks or juvenile delinquents. In the main they were young people who are pacifists. They came almost directly from the peace camp at Grindstone, Ontario operated by the Society of Friends, or Quakers, and they returned to their camp after the demonstration was over.

I am not a pacifist but I submit that in a democracy every person has a right to be a pacifist and those of us who believe in democracy must preserve the rights of people who do not believe as we do. Voltaire said: "I disagree with what you say but I will defend to the death your right to say it." We must also be prepared to take the same attitude when people take certain action of which we do not approve. If these young people were breaking the law the minister had a clear course of action open to him. He could have had these people arrested and charged with obstructing traffic or disturbing the peace. If found guilty they could have been punished by due process of law, not by policemen, military or otherwise, beating them up. If we are to allow the police to use their judgment as to whether or not persons ought to be abused, we are setting our feet on the slippery path that leads to a police state.

I wrote down what the minister said this afternoon. He said that if any of these young people felt that undue force had been used he would have expected them to lay charges and follow the due process of law as laid down in the constitution. That is the most ridiculous statement I have ever heard from a minister of the crown. How would these young people, university students, set in motion the due process of law? Would they sue the Department of National Defence? Would they obtain a fiat from the Minister of Justice? Where would they get the necessary funds to enable them to prosecute the crown? Surely the minister, and the Prime Minister (Mr. Pearson), to whom I appeal, have the responsibility, when people make charges in the public press that there has been brutal mistreatment by military police, to investigate the matter—and I do not mean by having some army or air force officer look into it; I mean by appointing some impartial person or body to determine whether or not these allegations are true.

I am not anxious that anybody should be punished over this. I am anxious that if these statements are true, action should be taken so that such incidents will not happen again and so that military police or any other police be adequately trained and disciplined in order that they will not use abusive methods. Violence always begets violence, and if the crown acquiesces in the use of violence by any of its servants we are asking for the day when other groups, not pacifists but more unruly groups, will begin to think the same methods can be used by them with impunity. I hope the government will give us a better answer tonight than the one we got this afternoon and I appeal to the government and to the Prime Minister, when he looks over the record of this debate, to institute an impartial and independent investigation in order that the people of Canada may know that there will be no recurrence of any ill treatment whether by military police or by other police who come under the jurisdiction of the government of Canada.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I rise only to say to the house and to the hon. member for Burnaby-Coquitlam (Mr. Douglas), that the Minister of National Defence (Mr. Hellyer) is unavoidably absent this evening, otherwise he would be here to reply to my hon. friend. I shall see that his remarks are brought to the attention of both the minister and the Prime Minister (Mr. Pearson).

ARTS, LETTERS AND SCIENCES—SUBSIDIES TO CULTURAL CENTRES IN DORCHESTER COUNTY, QUE.

[*Translation*]

Mr. Pierre-André Boutin (Dorchester): This afternoon, on the orders of the day, I directed to the right hon. Prime Minister a question which met all the requirements, as it was very important, concise and urgent.

As the Prime Minister refused to answer this afternoon, I have deemed it advisable to discuss the matter this evening.

Since the Prime Minister and his parliamentary secretaries are not here, I would therefore ask the Minister of Citizenship and Immigration to answer my question, since he took part in the election campaign.

My question was as follows:

Can the Prime Minister tell us if his government intends to grant subsidies to the numerous cultural centres which are being promised by the Liberal party in the county of Dorchester during the current by-election campaign, and, if so, does he thereby admit that "operation agriculture" having failed in this county, the situation might be remedied through "operation culture"?

Mr. Speaker, I have been prompted to ask this question by the list of innumerable promises which appears daily in the newspapers aimed at the voters who will choose a representative on October 5 next in the counties of Dorchester, Matane, etc.

Never before have we seen in our province an auction similar to the one now in progress in these counties. The shower of promises, of subsidies is such that the people of Dorchester feel swamped; municipal parks

here, sludge plants there, confederation monument elsewhere, and many more still.

One may wonder if the $100 million the Lesage government borrowed from a Social Credit government, that of British Columbia, just before the election, will not be all squandered on highway projects, asphalt and all kinds of gifts for the Dorchester county alone.

People in the county are no fools since we could hear from electors in various ridings comments such as: "We are getting buried under asphalt" or "One may wonder if it would not be better for our representative to die every year".

Obviously these people are right since not a single penny had been spent in four years and within four weeks millions are being poured into the county.

But the most dazzling, the most brilliant and the most subtle of all those promises is to build "cultural centres" in almost every parish of the county of Dorchester. Just think, Mr. Speaker, in an entirely rural environment where 60 per cent of the people live from the land, cultural centres are to be built, not in order to show our farmers how to improve their land and pursue their great calling—no, our people in Dorchester are to become little intellectuals, subtle little minds, in a word, they are to become sophisticated.

Mr. Speaker, the most ridiculous aspect in all this election story, which will never be forgotten, is that some good politicians in Ottawa are going to help those auctioneers.

Indeed, we have seen the hon. member for Matapedia-Matane (Mr. Tremblay) and the hon. member for Îles-de-la-Madeleine (Mr. Sauvé) "Mr. ARDA", both federal ministers, go to that riding and speak in favour of the new co-operative federalism, that is the federalism of election promises. We also heard the hon. member for Bellechasse (Mr. Laverdière) strongly approve the decision to build cultural centres in the county of Dorchester.

Mr. Speaker, as the federal members are all for the building of such cultural centres, the federal government must have given its authorization, or have promised the government of the province of Quebec to subsidize those centres, which are to be centennial projects. As those centres have already been officially announced by the Quebec government in at least two parishes of that county, i.e. in Ste Germaine, for an amount of $100,000, and at St. Prosper for an equal amount, the federal government obviously promised to give those centres to the people.

This is the answer I should like to receive from the Prime Minister. Did the government grant an amount to the Ste Germaine and St. Prosper parishes or is this promise only eyewash on the part of the Lesage government?

In my question I asked of the Prime Minister: "Does he admit that "operation agriculture" having failed, the situation might be remedied through "operation culture"?

Indeed, Mr. Speaker, agriculture is in a state of depression in our area. That is why the Liberal party does not mention the subject during this campaign; they prefer to take farmers for a ride in the clouds instead of dealing with their problems. It is certainly not ARDA which will save them.

Since Mr. Lesage is so much in favour of co-operative federalism, why does he refuse to request the assistance of the federal Minister of Agriculture to help maple sugar and syrup producers in the province of Quebec whose production was a complete failure last spring?

Since Mr. Lesage said he looks after the problems of all the people of Quebec, why did he hide when 20,000 farmers marched on Quebec city?

Those are points the premier of Quebec and the Minister of Citizenship and Immigration should explain to voters instead of encouraging the orgy of promises which takes place during these by-elections.

If Mr. Lesage is serious and sincere when he talks of co-operative federalism, he should ask as soon as possible the federal government to help farmers, instead of hiding, or turning a deaf ear to their requests.

Would the Minister of Citizenship and Immigration answer up to a certain point the questions I just put to him?

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, because of a perhaps all too narrow preoccupation with federal politics and federal policies, I am not directly familiar with the particular local issues important in the provincial by-election now going on in the splendid county of Dorchester. I believe that the Prime Minister was in a somewhat similar position. Moreover, I suspect that when this question first came up this afternoon he and the Speaker concluded that this was a matter primarily within provincial jurisdiction.

Indeed, I am rather surprised to find that this matter is put down for discussion at this hour, and what the hon. gentleman has

just said confirms me in my wonderment at its being before us now. Nevertheless, Mr. Speaker, I believe that the hon. gentleman is looking for reassurance, and that I can make him rest easier by telling him that there is a well established tradition that Liberals strive to do those things which they promise to try to do. I am sure that in this instance this tradition will prevail.

But, sir, one aspect of the hon. member's question as he put it this afternoon caused some concern. He asked, hypothetically, if in the county of Dorchester agriculture is to be supplanted by culture. He seemed to imply that Dorchester could not sustain both at the same time. The problem of eastern agriculture is a difficult one. I do not think I should attempt to give my views on it this evening. But I am sure the hon. member did not wish to imply that there was some sort of contradiction between agriculture and culture. I am sure that, while we may disagree as to what good government is, he would agree with me that under good government both sound agriculture and genuine culture can flourish in his fine county.

Mr. Grégoire: That is not an answer.

Motion agreed to and the house adjourned at 10.22 p.m.

HOUSE OF COMMONS

Friday, October 2, 1964

The house met at 11 a.m.

IMMIGRATION ACT

AMENDMENTS RESPECTING FOREIGN INTERVENTION IN LABOUR DISPUTES AND NEGOTIATIONS

Mr. C. O. Cooper (for Mr. Ormiston) moved for leave to introduce Bill No. C-127, to amend the Immigration Act (foreign intervention in industrial disputes).

Some hon. Members: Explain.

Mr. Cooper: The purpose of this bill is to prevent foreign interference in domestic labour-management disputes and such intervention in subsequent negotiations.

Motion agreed to and bill read the first time.

ADMINISTRATION OF JUSTICE

HAL BANKS—INQUIRY AS TO WHEREABOUTS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would direct a question to the Minister of Justice. When he spoke on television last night at eleven o'clock and stated that he had no knowledge of the whereabouts of Mr. Banks, did he not at that time have the information that Mr. Murphy, a radio man connected with station CFRA, I believe, had had a radio discussion with Mr. Banks, and that Mr. Reguly of the Toronto *Star* just walked down by the dockside and was able to see Mr. Banks there along with his car bearing a Quebec licence? Would the minister be able to explain that rather incongruous position?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, as the right hon. gentleman knows, of course, one does not appear directly on television on the eleven o'clock news. These interviews are taped, and the interview in question was taped around 4.30 yesterday afternoon. I learned of this alleged interview with Banks at the time the interview was taped and I had no way, of course, of ascertaining to what extent the facts as alleged were accurate and especially no way of ascertaining who tipped off the reporter. Whether or not it was Mr. Banks himself I do not know.

Mr. Diefenbaker: I wonder whether the minister, having tried for so long to find the location of Mr. Banks, is now able to give us information with regard to whether the elusive Mr. Banks, the waltzing Matilda of Canadian politics, has been discovered.

Mr. Favreau: I do not have precise information as to this yet, Mr. Speaker, and I repeat that I shall tell my right hon. friend whenever information is obtained.

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. In view of the information the Minister of Justice gave the house yesterday in answer to the Leader of the Opposition, that the proceedings to which he referred could have been commenced five years ago, could the minister explain why those proceedings were not commenced during his tenure of office in the Department of Justice, which did not cease until 1960 after he had been there six years through two administrations?

Mr. Favreau: Of course, Mr. Speaker, the information came to the Department of Justice in 1958, a period when a Liberal government, I am told, was not in office but rather a Conservative government; and the first positive statement came in February, 1962, at a time when a Liberal government was not in office.

Mr. Nielsen: A supplementary question, Mr. Speaker. This does not answer the question—

Mr. Speaker: Order. I do not wish to prevent anyone asking any reasonable and proper question at this time, but I suggest we are getting very close to starting a debate.

Mr. Favreau: On a question of privilege, Mr. Speaker, I wish to correct an inaccuracy. It was not February, 1962 as I have just stated, but February, 1959.

Mr. Nielsen: Mr. Speaker, I think the point the minister raised yesterday is important and should be cleared up. Since the minister was serving as assistant deputy minister in the department in 1958, will he inform the house

what advice the law officers of the crown gave to the government of that day?

Mr. Speaker: This question is improper.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): A supplementary question, Mr. Speaker.

Does the Minister of Justice not think that in 1958 and 1959 it rested much more with the minister of justice than with the deputy minister to make the appropriate decisions in such cases?

Mr. Favreau: Mr. Speaker, I was just about to say—and I thank the hon. member for Lapointe for his suggestion—that in 1958 or 1959, I was not responsible for the policy of the department.

[*Text*]

[*Later:*]

Mr. Erik Nielsen (Yukon): A supplementary question which I should like to direct to the Prime Minister. In view of the obvious secrecy which has surrounded the whole matter of Banks' escape from Canada, as well as the obvious interest in this matter of all members of the house, I wonder whether the Prime Minister would cause an independent body to inquire into and make findings upon all the surrounding circumstances which have enabled Banks to blatantly flout the law of Canada and escape out of Canadian jurisdiction.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, no such inquiry is necessary. I think the facts are quite clear, and I do not think any useful purpose would be served at this time in establishing that kind of inquiry.

Mr. Diefenbaker: Mr. Speaker, I am still waiting for an answer from the Minister of Justice. Is he now in a position to say whether any inquiry was ever made of the immigration authorities in the United States as to Banks crossing the line with car attached? Second, can he say whether the S.I.U. office or Mr. Hall was ever communicated with to find out where Banks was?

Mr. Favreau: Mr. Speaker, I myself, of course, do not perform the actual investigations subsequent to demands for information. I never said in this house that a formal demand had been made to the immigration authorities of the United States. On the contrary, I said it was most unlikely that these would be the authorities who could supply us with information. What I did say in this respect was that the R.C.M.P. had asked the F.B.I. to supply us with information.

Mr. Diefenbaker: Mr. Speaker, did the minister notice the statement made by Paul Hall that he had never been asked where Banks was? Why did not the minister in the discharge of his responsibilities, if he was really trying to do something—

Some hon. Members: Order.

Mr. Diefenbaker: —get in touch with this man?

Mr. Favreau: Mr. Speaker, I should think it was more appropriate to go to the authorities concerned, namely the F.B.I., rather than to Mr. Paul Hall.

Mr. Diefenbaker: Blaming the F.B.I. for your negligence.

Mr. Nielsen: A further supplementary question to the Minister of Justice. Has the minister seen this morning's report in the *Globe and Mail* where it is set forth that packages from a convertible with Quebec licence 323-983 were transferred to Banks' Cadillac in New York? If so, does he intend to take any investigative action to see whether an offence has been committed by any other Canadian in this conspiracy?

Mr. Favreau: I have not yet seen the item in the paper, Mr. Speaker.

QUEBEC—REPORTED SECRET CAMPS FOR GUERRILLA TRAINING

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Justice, and ask him if his attention has been drawn to a statement made in the courts by Marcel Tardif to the effect he received guerrilla training in a secret camp last summer near Shawinigan? He says in his statement that this camp was used to give military training against "the enemy" and when asked by the judge as to who the enemy was he said "the federalists". I should like to ask the minister whether the R.C.M.P. have any knowledge of this alleged secret military camp or of any other secret military camps, and whether an investigation is being made by his department into the statement of Marcel Tardif.

Hon. Guy Favreau (Minister of Justice): I have no knowledge personally to date of the facts as just stated. However, I shall take that question as notice and shall inquire.

Mr. Douglas: May I ask a supplementary question. Has the Minister of Justice or the R.C.M.P. any knowledge of one François Schirm who, according to Marcel Tardif, is a one time French paratrooper and who was the commander in charge of this camp? Has the R.C.M.P. any knowledge of this man or his activities, or is any attempt being made to question him?

Mr. Favreau: I think this is a question that ought to be put on the order paper.

Mr. Douglas: Surely when a man is named in the courts as being the commander of a secret military camp, that is something that ought not to be put on the order paper where it may lie for two or three months. Surely this is a matter which the Department of Justice and the R.C.M.P. ought to be looking into. When I ask the minister if his department or the R.C.M.P. know anything about this man, surely I ought not to be told to put the question on the order paper.

Mr. Speaker: The hon. member has stated the question twice now and the minister has said he will take notice of it and investigate. I think, although the question is extremely important and that is why it was allowed in the first place, the minister should have an opportunity to make a full and complete investigation.

Mr. Douglas: On a point of order, Mr. Speaker, the minister did not say he would look into the matter of François Schirm, who was allegedly the commander of this secret military camp. He asked me to put the question on the order paper. I am suggesting that this is a matter of too great urgency to be put on the order paper. If the minister will undertake to look into the question and report to the house, I am satisfied. However, I am not satisfied to put the question on the order paper.

Mr. Favreau: The reason I suggested that the question be put on the order paper was that I thought François Schirm was one of the three persons arrested and presently detained in Montreal in connection with a murder in an arms dealer's store. I shall inquire and, of course, any of these allegations or facts stated in newspapers are automatically and immediately inquired into by the R.C.M.P. Once the result of the inquiry is brought to my attention I shall report to the house.

Inquiries of the Ministry

ROYAL VISIT

MEASURES TO ASSURE SAFETY OF HER MAJESTY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is really related to the question that has just been asked and is directed to the Minister of Justice. In his opinion are the arrangements for the protection of the safety of the Queen properly in hand, in view of the fact that there are printed instructions being circulated through the publication *La Cognée* telling how best to plan action against the Queen's visit, how to infiltrate crowds, touch off riots and cope with the police when they attempt to restore order? It seems to me this is all related, and that there should be some statement that such activity is being adequately taken care of ahead of time.

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, my answer to this is a definite affirmative. Definitely, yes; all the necessary measures have been and are being taken, and I can assure this house that the safety of the Queen is completely assured and that facts such as those which have just been brought to the attention of the house are being investigated and measures have been taken in relation thereto.

UNEMPLOYMENT INSURANCE

MONTREAL—BENEFITS TO STRIKING NEWSPAPER EMPLOYEES

On the orders of the day:

[*Translation*]

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

Could he tell us whether a decision has been made by his department and the unemployment insurance commission in order to allow the employees of *La Presse* who are out of work on account of the strike at this newspaper, to draw unemployment insurance benefits as of early June?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as I understand it this matter is before the board of referees. I shall check to see whether a decision has been reached by the board.

Inquiries of the Ministry

PENSIONS

FEDERAL PARTICIPATION IN TORONTO CONFERENCE

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the Minister of National Health and Welfare, which perhaps the acting minister or the Prime Minister would answer. Are any members of the federal government taking part in the Canadian pensions conference being held in Toronto and, if not, has the department full time observers or participants at the conferences?

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I wonder whether, on behalf of the minister, I could take notice of this question, check into it today and give the hon. member an answer.

Mr. Aiken: Mr. Speaker, I appreciate the parliamentary secretary's suggestion, but the conference will be over by next week.

Mr. Munro: I said I would supply the hon. member with an answer after orders of the day.

[*Later:*]

Mr. Munro: Mr. Speaker, I have the answer to a question posed earlier today by the hon. member for Parry Sound-Muskoka. The Department of National Health and Welfare was represented by a delegate at the Canadian pensions conference held in Toronto on Wednesday, September 30. That conference terminated yesterday.

LABOUR CONDITIONS

PROPOSED ALTERATIONS IN OLDER WORKER EMPLOYMENT PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Labour. Is it his intention to propose alterations to the expensive and unsuccessful older workers program and, if so—

Mr. Robichaud: Order.

Mr. Muir (Cape Breton North and Victoria): I see the little man is piping up again. If the minister is proposing alterations would he outline them to the house?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have no information as to any unsuccessful winter works program operated by the Department of Labour.

[Mr. MacEachen.]

Mr. Muir (Cape Breton North and Victoria): As a supplementary question, Mr. Speaker, may I ask the minister is it not a fact that under his older workers program $200,000 was spent to put approximately 2,000 people to work?

Mr. Speaker: Perhaps the hon. member could put this on the order paper as it requires a detailed answer.

QUEBEC—APPLICATIONS UNDER WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, at the request of several mayors of municipalities in my constituency, I wish to put a question to the Minister of Labour.

Can the minister tell us why application forms for the 1964-65 winter works are not yet distributed to Quebec municipalities?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): These forms are presently being processed by the queen's printer, and we hope they will be available for distribution next week.

D.E.W. LINE—EQUAL WAGES FOR U.S. AND CANADIAN PERSONNEL

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, my question is to the Secretary of State for External Affairs and it relates to the basic labour problem on the distant early warning line. Has the government of Canada made it abundantly clear to the government of the United States that it is unacceptable that Canadians employed on the distant early warning line by the United States Federal Electric Corporation should receive substantially lower wages than United States citizens with whom they are working in identical jobs?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, may I take that question as notice and find out whether I can give a proper reply.

POST OFFICE DEPARTMENT

FORT WILLIAM, ONT.—PROTEST RESPECTING SURVEILLANCE OF EMPLOYEES

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the Minister of Justice in the absence of the

Postmaster General. Since the postal employees at Fort William feel that peepholes in the building constitute an invasion of their civil rights, will the minister assure the house that the peephole situation will be rectified, or that these men can seek redress under the bill of rights?

Hon. Guy Favreau (Minister of Justice): Apparently if there is a peephole situation, Mr. Speaker, it began some time before the last federal election. I shall take the question as notice for the Postmaster General and discuss the matter with him.

FLOOD CONTROL

ONTARIO—FEDERAL APPROVAL OF CREDIT VALLEY PROJECT

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to direct a question to the Minister of Northern Affairs and National Resources. It arises out of a story in this morning's *Globe and Mail* that an urgently needed $5 million flood control scheme for the Credit valley is being held up because approval cannot be obtained from the minister's department. If there is a delay what is the reason for it, and when can we expect approval of this very urgently required flood control scheme?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): The only delay is dictated by the fact that the economic studies involving the relation of the benefit to the cost have not yet been completed. I can assure the hon. member that we are proceeding with these studies as rapidly as possible; they relate solely to the benefit anticipated in comparison with the cost.

Mr. Scott: The hon. gentleman will understand that the parties concerned are urgently in need of some indication as to the length of time which may be involved. Can the minister give any indication when these studies will be completed and some decision rendered?

Mr. Laing: Very quickly, Mr. Speaker.

SHIPPING

MONTREAL—INQUIRY AS TO CONSTRUCTION OF MARINA

On the orders of the day:

[*Translation*]

Mr. Fernand E. Leblanc (Laurier): Mr. Speaker, I wish to ask a question of the Minister of Public Works.

When I was elected at a by-election last February, the minister told the population of Montreal that a definite project had been agreed upon for the construction of a harbour station for the city of Montreal.

Since that time, as far as I know, no work has been undertaken toward the construction of that station.

Could the minister tell the house if his department intends to pursue this project and when?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I will contact the Minister of Transport in this respect, and under the circumstances I shall consider this question as a notice.

[*Text*]

TRANSPORTATION

PETERBOROUGH-TORONTO—PROPOSED WITHDRAWAL OF DAYLINER SERVICE

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): I should like to direct a question to the Acting Minister of Transport and ask him whether he would make inquiries to see if it is true that the proposed withdrawal of the dayliner service between Havelock and Toronto will be carried out in order that the coaches may be transferred to the Montreal area.

Hon. G. J. McIlraith (Acting Minister of Transport): I will look into the matter further. I am aware there is a proposal by the railway company to discontinue dayliner service between Peterborough and Toronto, and representations have been made to the board of transport commissioners on behalf of the municipalities directly concerned. As the hon. member knows, the board has the responsibililty of deciding what should be done in these circumstances. When I have any further information I will bring it to the attention of the hon. member.

Mr. M. J. Moreau (York-Scarborough): Will the minister use his influence with the board of transport commissioners to make sure there is a public hearing on this matter before the dayliner service is abandoned?

Mr. McIlraith: I do not think I can undertake to try to influence a quasi-judicial body such as the board of transport commissioners, but I will find out what the responsibility of the minister is in this regard and

make sure that any representations which are made to me are brought to the attention of the board. But I would certainly not undertake to try to influence the board.

UNITED NATIONS

PROPOSED ADOPTION OF WEIGHTED VOTE ON PEACE KEEPING OPERATIONS

On the orders of the day:

Mr. Heath Macquarrie (Queens): I should like to ask the Secretary of State for External Affairs a question concerning the proposal recently made to a United Nations committee by United States Ambassador Plimpton which, if adopted, would in effect give a bigger voice or a weighted vote in peace keeping decisions to the great powers and those members who are large financial contributors to the United Nations. Could the minister indicate the government's attitude toward this proposal?

Hon. Paul Martin (Secretary of State for External Affairs): The hon. member gave me notice of this question the day before yesterday. The Canadian government through its ambassador at the United Nations supports the suggestion that there should be a special committee of the United Nations to give consideration to the problem of the financing of future UN peace keeping operations. This suggestion arises out of a proposal made by the government of the United States in the working group of 21. I do not believe the hon. member is right in saying the proposal involves the question of a weighted voting principle. However, we support the establishment of a committee for the purpose I have mentioned.

CIVIL DEFENCE

REPORT OF DEFENCE COMMITTEE RESPECTING PUBLIC ACCEPTANCE

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question for the Minister of National Defence. Having in mind yesterday's report by the special defence committee regarding the failure of civil defence to gain public acceptance in the fields of fallout shelters and population evacuation, can the minister indicate what steps the government will take to meet the situation revealed by the committee?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, this is a question which falls within the jurisdiction of my colleague the Minister of Industry.

[Mr. McIlraith.]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, as the remaining part of the estimates of the Department of Defence Production, which includes the emergency measures organization, has been called for later today I suggest that the answer to this question might be left until that time.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour. When may we expect the maritime trustees to appear before a committee of this house?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I am not in a position to state on what date they will appear.

Mr. MacInnis: A supplementary question, Mr. Speaker. Could the minister indicate what effort he is making to meet the request of many hon. members of this house in this regard?

Mr. MacEachen: Mr. Speaker, the request of the members of the house that a meeting with the trustees be arranged has been met. It is proposed that the trustees meet the committee of the house during this session; the only thing unsettled is the date of that appearance.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, could the minister ask the trustees to inquire whether the school in New York to which members of the S.I.U. have been sent for training by the trustees is the school which Mr. Banks has in recent weeks been heading up?

Mr. Nielsen: He has just graduated.

Mr. H. W. Herridge (Kootenay West): A supplementary question to the Minister of Labour. In view of the fact that the trustees know the members of this house have wanted them to appear before a committee for months, does the minister not think it is a little impudent on their part to continue to delay this appearance?

Mr. MacEachen: I would not agree with my hon. friend. As my hon. friend is aware, the chairman of the board wrote me a letter on this subject, gave me lengthy reasons for his thinking in this matter and said he would appear later in the fall. I wrote back and said that was fine with the government. The only question to be settled now is when

they will come, and I will raise the matter with the chairman again.

BUSINESS OF THE HOUSE

INQUIRY AS TO SITTING ON THANKSGIVING DAY

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Prime Minister. Since unanimous consent was not given last night to the request of the house leader that the house not sit on October 12, the day Her Majesty the Queen will be here, could the Prime Minister not consider bringing in a motion for the house not to sit on that day?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker; a motion to that effect is being put on the order paper.

EXTERNAL AFFAIRS

RECOGNITION OF QUEBEC DELEGATION IN PARIS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, may I ask the Secretary of State for External Affairs a question?

Could the minister tell me whether the status of the general secretariat for the province of Quebec is to be changed shortly and, in particular, whether there is any basis to the rumour that the Canadian ambassador to Egypt, Mr. Chapdelaine, will be appointed to that position?

Hon. Paul Martin (Secretary of State for External Affairs): Well, Mr. Speaker, the first part of the question rests entirely with the Quebec government. The question is no doubt based on an item in this morning's issue of *Le Devoir*.

All I can say is that during his stay in Canada Mr. Chapdelaine discussed his plans with me, but only in general terms. However, we have not yet received an official resignation from Mr. Chapdelaine who has given such dedicated service to Canada as the head of diplomatic missions.

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

Has Mr. Chapdelaine handed his resignation to the minister?

Mr. Martin (Essex East): Mr. Speaker, the hon. member may have misunderstood what I said: not yet, no. In addition, I meant to say that we have appointed two new consuls in France, Messrs. Choquette and Bussière, both from the province of Quebec.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, may I ask the minister a supplementary question? Has he been in touch with Mr. Lesage or other Quebec ministers in this connection?

Mr. Martin (Essex East): Mr. Speaker, I have had no opportunity of getting in touch with anyone of the Quebec provincial government concerning this matter which, furthermore, does not fall within my jurisdiction.

Mr. Grafftey: A supplementary question, Mr. Speaker.

Has the Secretary of State for External Affairs had any official representations from the province of Quebec in this connection?

Mr. Martin (Essex East): Not to my knowledge, Mr. Speaker.

Mr. Martineau: A supplementary question, Mr. Speaker.

[*Text*]

Mr. Speaker: Order, please. This question has been up two or three times during the last few weeks, and it seems to me that to get a proper reply it should be put on the order paper.

Some hon. Members: Oh, oh.

Mr. Speaker: A detailed reply.

NATIONAL DEFENCE

DISCONTINUANCE OF SECTIONS OF MID-CANADA RADAR LINE

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Can the minister inform the house whether the government has under consideration a further discontinuance of sections of the mid-Canada radar line?

Hon. Paul Hellyer (Minister of National Defence): Not to my knowledge, Mr. Speaker.

COMBINES

OTTAWA—KICKBACKS BY FIRMS SERVING APARTMENT BUILDINGS

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I have a question I should like to pose to the Minister of Justice. Is the minister aware of allegations made on the

program "Live Wire" this morning to the effect that most bakery, dairy and cleaning firms holding franchises in large apartment buildings in Ottawa are providing kickbacks to those who provide the franchises, and that in some cases compulsion to use these companies is written into a lease? Would the minister check to see whether this matter falls under the jurisdiction of the restrictive trade practices commission, and take appropriate action?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I am not aware of what was said on that program, but I shall refer the matter to my appropriate officials.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I should like to ask a supplementary question of the Minister of Public Works. Can the minister tell the house whether it is the policy of the government to move in this direction and do this work under contract rather than under the system as developed directly within the government administration?

An hon. Member: To what are you referring?

Mr. Winkler: I refer to the question of maintenance staffs engaged for the purpose of looking after government buildings. Is it the policy of the government now to move out of the area of direct hiring of these employees and into the contract field?

Hon. J. P. Deschatelets (Minister of Public Works): We are moving back to contract, Mr. Speaker, rather than hiring the personnel to do the job.

PUBLIC SERVICE

PRINTING BUREAU, OTTAWA—ENGLISH REPLY TO FRENCH TELEPHONE INQUIRIES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, it was my intention to direct a question to the Secretary of State but, in his absence, I shall ask his parliamentary secretary to answer it.

Would the Secretary of State consider making an investigation in the case of Mr. L. Deavey who answers the telephone at the printing bureau and who, when French speaking Canadians telephone there gives the following answer:

[*Text*]

"Another fanatic wants to speak French".

[Mr. Howe (Hamilton South).]

[*Translation*]

Is the Secretary of State going to investigate the case of that Mr. Deavey who gives answers which are not quite appropriate?

[*Text*]

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, I did not hear the question in detail, but when I have read it I shall try to decide whether a suitable answer can be made.

IMMIGRATION

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether his officials have completed their investigations into the activities of the various groups in respect of which questions were asked last week concerning the I.T.U. strike in Toronto; and if they have completed their investigations, what report can the minister now make to this house?

[*Translation*]

Hon. Réne Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I have not yet received a complete report, but I hope that early next week I will be in a position to inform the house about the latest developments.

[*Text*]

WORLD FAIR

PROPOSED EXTENSION OF NOTRE DAME ISLAND

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce about a report published in the *Expo Digest* bulletin. Is the minister in a position to tell the house by how much the area of Notre Dame island will be extended for the exhibition and what will be the additional cost?

[*Text*]

Mr. Speaker: Surely this is a question for the order paper.

WATER LEVELS

MOTION FOR REFERENCE TO COMMITTEE ON MINES, FORESTS AND WATERS

Hon. Arthur Laing (Minister of Northern Affairs and National Resources) moved:

That the subject matter of the water levels of the great lakes system be referred to the standing committee on mines, forests and waters for their consideration and report.

He said: Mr. Speaker, I should perhaps make a very short statement in respect of this motion.

A nation rich in resources has the duty to ensure that her posterity never find it necessary to accuse their forefathers of neglectfully wasting their heritage. The present crisis in the livelihood and interests of many of our people in the great lakes basin requires that measures be taken which will not only meet current needs but will ensure the wise use of this water resource.

With these thoughts in mind I propose to introduce a motion on this subject. Before doing so I should like to report briefly to the house on measures already being taken by the government, and others which are now proposed, in regard to water levels in the great lakes. These measures form part of a comprehensive approach to the long term objective of learning to live with a natural resource of the size of the great lakes, but they also deal with today's problem.

As regards the current situation, I would remind the house that the international joint commission already has certain important responsibilities. Within the limits of natural conditions and existing authority it is regulating levels and flows from two of the lakes so as to make the best use of available supplies of water.

In April of this year all the lakes were below the average level of the past ten years for that month and, indeed, lake Huron reached its lowest level of the past 100 years. At the outlets of lake Superior and lake Ontario there are dams by which levels can be controlled but there are not present physical means by which the levels of lakes Michigan, Huron and Erie can be similarly regulated.

The commission's present authority extends only to lake Superior and lake Ontario. The international joint commission on June 25, 1964 authorized its lake Superior board of control to release water above the so-called "rule curve requirements" as long as supplies to the lake continue to be favourable and the present large differential in relation to low water datum between the two lakes exists. This measure cannot provide an immediate end to the low water in the lakes downstream, but it will have a beneficial effect. It should be remembered that the time required for a larger portion of the benefit of this additional water to reach Montreal harbour will be well over one year because of the storage capacities of the intervening lakes and their relatively restricted outlet capacities.

Lake Ontario levels have been regulated since 1958 at the Barnhart island dam in the St. Lawrence, in accordance with the order of the I.J.C. Under the approved plan of regulation, levels on lake Ontario are maintained within a range of four feet during the navigation season, as contrasted with a range in nature of 6.6 feet. This has the effect of preventing as low a level of water in dry years as would have been the case had the Barnhart island dam not been built. There is every expectation that lake Ontario levels will be maintained within the improved range again this year. The levels of Montreal harbour are dependent on flows from the Ottawa river as well as from lake Ontario, and the approved plan of regulation recognizes this fact. In anticipation of low water supplies this year, every effort was made by the international joint commission and its board of control, in co-operation with the water users, to store as much additional water as possible in lake Ontario. This was released later in the season to alleviate expected low water conditions at Montreal and the lower St. Lawrence, when the flow from the Ottawa river fell off.

While the international joint commission is doing everything it can under its present authority, there are some steps the government can take to alleviate the worst effects of the present low water levels in particular harbours. On June 4 my colleague the Minister of Public Works informed the house of the expanded dredging program to be undertaken by his department. This dredging will relieve the local situation in some hard pressed areas, but I do not wish to imply that dredging can meet the needs of the many foreshore interests which are currently harassed by low water conditions or which may at other times suffer from high lake levels.

Indeed, the improvement of the water levels themselves is a longer term problem to which solutions must be found. One approach is to study the possibility of extending the regulation regime to make the best use of all the

water supplies available from the great lakes basin. Until there is complete knowledge as to how the waters of the basin can be controlled and interests protected through both wet and dry periods, we should be concerned about any plan to introduce large supplies of imported waters. Experience with international regulation of levels on lake Ontario and lake Superior confirms the fact that substantial benefits can be achieved by the regulation of outflows.

As the Prime Minister told the house on May 22, the governments of Canada and the United States are proceeding with a special reference to the international joint commission on great lakes water levels. I expect that an early agreement will be reached to study the feasibility of extending the present regulatory system. This study will take some considerable time and immediate results are not to be expected.

The whole problem of water levels in the great lakes basin is exceedingly complex. As I mentioned earlier, it is welded to the greater human problem of how to live with a natural resource that is unique both in kind and in size. I might say, Mr. Speaker, that there are certain aspects in nature which we can bend to a certain extent, and there are some which we cannot bend. An understanding of causes and possible solutions involves the examination of extensive and complicated technical data. The facets of this complicated problem must become better understood by all those both within and outside this house who are concerned with the problem. A close examination of and a concentration of public attention upon the facts of the situation seem imperative at this time.

Mr. Diefenbaker: Would the minister allow a question before he sits down? He has made a very full statement, and I should like to ask him whether he would be prepared to say something with regard to the effects of the Chicago diversion. What is being done to assure that the repeated requests for increased diversion in that area shall not be accepted?

Mr. Laing: In reply to the right hon. gentleman, Mr. Speaker, may I say I am quite certain that for many years the great body of Canadian public opinion has been that the so-called Chicago diversion was one of the chief causes of the drain upon water which originated substantially in Canada. At the present time and for some years now that has not been the case. The draw-off at Chicago is of the nature of 3,200 second feet only. It has been much higher in the past. This is a very small amount of water in relation to the problem that exists.

The right hon. gentleman implied that greater demands are going to be made. I would remind him that this tendency would seem to apply in Canada as well as in the United States, because at the present time I believe the province of Ontario is constructing a 72 inch pipe line for the sale of water wholesale to the city of London, and if this should be a continuing program in respect of drawing water from the lakes for the supply of our cities—

An hon. Member: Why not?

Mr. Laing: I am not saying it should not be done. I say it is a good thing. I am not criticizing it at all, but it is going to create a very heavy drain upon our water. I would remind the house that much of the water that goes inland in such cases as that of the city of London will not return to the lakes but will be evaporated or lost through use inland. The huge requirements of our cities for water for multipurpose use are going to confront us with a problem probably just as great as that created by the demand that may eventuate from American cities.

Mr. Diefenbaker: May I ask one more question. Has there been any request on the part of the corporation of Chicago for any increase in the amount of water diverted in that area?

Mr. Laing: I would not want to say definitely there has been no recent request for an increase. It is the opinion of our officials that the requirements or demands for water from Chicago are not pertinent to the problem at this time.

Mr. Aiken: I should like to ask the minister a question. After all the conferences that have been held over the past several months in Toronto and Montreal and in Michigan with regard to this problem, has the government set no wheels in motion yet to alleviate the situation either as to the water levels or by way of assistance to the people affected? There was one program of dredging mentioned which was of very small benefit.

Mr. Laing: Mr. Speaker, in reply to the hon. member I would say that in recent months in one of my weaker or probably one of my stronger moments I suggested that we might resort to prayer. I am quite certain the hon. member has read the minutes of all

the various meetings that have been held, and will recall that in one instance in Michigan one man suggested at the end of the day that the delegates had come there in total error, that they should have had five priests, five rabbis and five ministers of the Episcopalian church praying. So apparently I have support in other parts of the continent.

I think my hon. friend will probably agree with me that this again points up those areas of the problem that are going to be very hard for us to determine because we have had an abnormally low rainfall in the area for five successive years. As the hon. member knows, precipitation is down by 5½ inches on average. The area of drainage into the lakes is exceedingly small in relation to the body of the lakes themselves. It is a very great and complex problem.

Mr. Martineau: May I ask the minister a question? Since he has brought up the question of the prayer session, may I ask if he was asked to go and preside on that occasion?

Mr. Thomas: Mr. Speaker, since the minister has referred to the London pipe line may I say that the pipe line is of particular interest in our area. It passes through the constituency of Middlesex West. I am somewhat disturbed to hear the minister suggest that the draw-off from lake Huron through this pipe line to supply to city of London and possibly some other municipalities would make any appreciable difference in the level of that lake. It has been suggested that a run-off of half an inch on the upper reaches of the Thames watershed, which is not a large one, would supply the city of London for a year. I should like the minister to tell us if possible what the percentage of the draw-off from lake Huron would be to supply the city of London. In other words, can he give us some figures that would allow us to compare the draw-off for the city of London with the diversion at the city of Chicago?

Mr. Laing: My Scottish grandmother used to say that many a mickle makes a muckle, and I think that is what applies in this case. I am not criticizing London at all. I think the action of the Ontario government in accepting responsibility for supplying water wholesale is a good policy, but one that will probably expand enormously. My hon. friend may say that the amount of water is very small but I point out again that the water in these draw-offs will have no chance to return to the lakes and that a great deal of additional water could be required in the future.

I would not care to make a suggestion. It would depend, of course, on the pressure in the 72 inch pipe. However, if very great pressure is used, I would advise my hon. friend that conceivably a tremendous amount of water could be drawn off inasmuch as I fully realize that the needs of London will be very great indeed. If this policy should be extended, and I expect it will expand in other areas because it would appear to me to be a reasonable policy to supply water wholesale to these cities, then this will get us into a study of the primary nature of water in so far as its multiuse purposes are concerned. I want to assure the house that I have had some indication of the briefs that have been prepared for this hearing before the committee, and I think they promise to make this committee one of the most informative and most intelligent presentations yet made to the Canadian public.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I am pleased to speak to the motion introduced by the Minister of Northern Affairs and National Resources. I do not know if his statement was brief in order to get the matter before the committee or if he felt that enough had been said in the house so that members are sufficiently aware of the critical situation that exists.

We on this side are well aware of the need that exists for policy and action in regard to the many problems with which the provinces and municipalities are faced. However, you cannot take action without some policy. We believe it has gone far enough. We believe at this particular stage of the game there could be some policy statement made to indicate that action will be forthcoming in the very near future. Indeed, some of the people living in the area of this great water system expected that action would have been taken before this time. The great loss that has been suffered by resort owners, and the great loss that has been sustained as a result of the lack of action and the lack of policy, are things which the people concerned can no longer tolerate.

We are aware of the conflict that exists. I do not say this to the minister today in an endeavour to suggest that this problem is new, because it certainly is not new. It is an old problem. It is a problem that has existed for a considerable period of time. We know of the extensive areas of authorities concerned within this government itself. For instance,

there are a number of departments involved such as external affairs, transport, mines and technical surveys, agriculture, forestry, fisheries, and even health and welfare; and of course public works is involved to a substantial degree. Action by one of these departments is not sufficient to protect the interests of those served by other departments.

I was interested to note that the minister himself stated lake Huron had reached the lowest level experienced in 100 years. Surely this would indicate that some type of practical action is necessary at an early date. I could refer back to the address that was made by the hon. member for Simcoe East, who brought this problem forcefully to the attention of the government on September 18. We did this previously as well. I think of the representations that were made to the government by the hon. member for Pontiac-Témiscamingue away back on May 11 by way of a motion. He felt the matter was of such immediate importance that he placed a motion on the order paper, and it was discussed at that time.

If action is to be taken, such as the development of policy, and if it is such as to bring pressure to bear upon the government, if this is the minister's own view, then we will support him wholeheartedly. However, we do not believe government policy or action can be formulated by any such house committee. This must be the responsibility of the government. It was for this reason I stated we expected some action to be taken before this time.

I could refer also to speeches made by other hon. members, and I shall do so as briefly as I can, Mr. Speaker. I could refer to the contradiction which we believe has existed this year, and perhaps even before, within the government itself. I am thinking of a newspaper article that comes to us in the Vancouver *Times*. This article is by Mr. Dillon O'Leary, the *Times* Ottawa correspondent, and the headline is "Laing Contradicts Davis; Keep Water for Ourselves". The sentiment expressed here by the minister, that of keeping water for our own development, is certainly one with which I can agree. We believe water is one of the most important resources Canada has today. The minister has made this statement. However, confusion exists when the parliamentary secretary to the Prime Minister makes one statement in B.C. and the minister contradicts him. This statement may relate to British Columbia and I realize I am getting away from the great lakes, Mr. Speaker, but it indicates the confusion that exists.

Then I should like to refer to this well known and well documented article in the Montreal *Gazette* of September 12 written by the parliamentary correspondent, Mr. Arthur Blakely. This is a full page article which I think is most comprehensive. It outlines the problems which exist. It points out very forcefully some of the difficulties, such as, for instance, the way we lose this resource today. It may be that the minister will agree with me because I am one of those who believe that employing the virtuous course of prayer may be very desirable in connection with a question of this sort. Other questions have arisen here this morning in connection with which the same virtuous course might be employed with better results.

In this particular case Mr. Blakely has gone to great lengths to explain what the problem is and to outline the confusion. We on this side have known for a long time the confusion that exists. Mr. Blakely, for instance, deals very forcefully with the way we waste water. The heading on this article, of course, is "Canada's Water Going Down the Drain"; this is in a derogatory sense and not in the ordinary sense. He points out there have been floods causing immense property damage which could have been better controlled and, in many cases, avoided altogether. He deals with the question of shipping and the depletion of previously low levels; the supply of fresh drinking water without which great cities cannot exist; the virtual destruction of once great commercial fisheries. He goes into all the areas of concern such as recreation, soil, soil erosion, and so on. I think the last point he makes is a very good one. He refers to the dangerous tendency to allow Canadian water resources to be diverted outside our borders on a first come first served basis before Canada's own future requirements have been studied, let alone assured.

This is the thing with which I feel we must concern ourselves. We hope, of course, that Canada's population will be much greater in the future than it is today. If we are not sufficiently cognizant of this particular problem to do something about it, then I think we are going to lose for all time part of the resources that we have.

I come back to the proposal made by the hon. member for Pontiac-Temiscamingue. He referred to the great problem that exists with regard to these resources and men-

tioned the plan of Mr. Thomas Kierans, a Sudbury engineer, for the diversion of water to supply our various needs. I believe, however, that the answers to the many problems that exist lie within our own competence.

Mr. Blakely goes on to refer to a conflict over the great lakes, and in his article he says:

> It is scarcely surprising. Under the rambling, ramshackle Canadian control system—if it can be described as a system—solutions whether of the short term, medium term or long term, almost defy application.
>
> It is a story everywhere, and at all levels, of divided jurisdiction.

I regret the reason which necessitates the Minister of Transport being absent from the house, but some time ago I asked him if the government had any policy to bring this matter under the jurisdiction of one department or one area of control. I forget the exact words of his answer, but he explained that this could not be done because of diversification of interests. Here is the nub of the thing, Mr. Speaker; there has to be leadership. Not only do we require policy and action but we need active, positive leadership, and in my opinion we do not have this leadership.

In his article Mr. Blakely went on to explain that there is a lack of hydraulic engineering authority from which the minister can draw advice. Nevertheless I believe we have enough qualified men to give us a start, if we could only eliminate the professional jealousy that exists between departments. I will excuse any of these officials if they will just drop this pettiness so far as their departmental positions are concerned, pool their resource knowledge and do something.

I have no qualifications in this field, but I understand the problem starts in the waters of the St. Lawrence downstream from Montreal, and that any solution must begin at that particular point. I believe it is lake St. Peter, though I am not absolutely certain of that. However, the solution or remedy should be undertaken there first; then work can proceed back up through the great lakes system.

As has already been said in the house, we should see what people have done in European countries to conserve their resources; then we could take some similar type of action. However, first and foremost we have to have a separate water authority, and if necessary we must convince our neighbours to the south that they should have a separate authority too, instead of both of us having a proliferation of semi-authorities, semi-areas of control which have no function and meaning in the question before us today.

I know, as does the parliamentary secretary to the minister, that reports exist within departments, very technical, substantive reports, dealing with a solution of this problem, but somehow or other the jealousies that exist between departments cause these reports to be pigeonholed and buried somewhere as official government documents not available to the public. Slowly but surely some of them are being drawn out. Mr. Blakely referred to this in his article, although we had known about it previously, and I am very pleased he saw fit to make it public knowledge. In regard to one report he wrote:

> It recommended the installation of a system of dikes in lake St. Peter which would compress the river flow in that area.

Obviously this is the beginning of the solution, but I understand that a much lesser sum of money could have been spent in solving it than has been spent to date, and the solution here would have been the answer for the port of Montreal.

When one is not a professional one can only deal with the expert information that is placed before one. Therefore I say it is not an impossible situation. Far from it; I am told that if we can control the problem at this point a magnetic study shows that the flow of water can be so diverted as to keep the St. Lawrence open for a much longer period of the year. I know this is not pleasing to eastern Canada, but the hydraulic engineers know what can be done on the basis of their own knowledge and the experience of European countries.

The minister cannot expect the committee to give him the kind of direction he requires. He must find these things out himself, and I am sure he knows them now. Today he showed a willingness to participate in the answering of questions, which was a wonderful thing. It does not happen too often when we are questioning the government benches; therefore I compliment him in that regard. He gave some of the answers our people wanted to hear.

The hon. member for Simcoe East gave a good outline of the things that have been tried, of the things that must be tried and of the policy that must be adopted in order to eliminate the low water levels. The minister says levels have been interfered with from the point of view of man-made de-

vices, and I maintain that the problem can be dealt with in a similar way.

Recently when I was in Scotland I was interested to learn how resources were conserved there. The hydroelectric company of Britain—I forget the exact name—has taken the flow of water from a lake in its northern division and used it to drive turbines that supply electricity. It has installed an automatic system whereby when the peak consumer period passes the turbines are phased out and two of them are reversed to act as pumps, raising water from a large basin dredged out at the base of the power plant. The water is pumped back upstairs and reused next day. In fact during the night time when consumption is at its lowest, six turbines are reversed to pump water back up to the lake, to be used a second or possibly a third time for the generation of electricity. This shows there is already a means of conservation in operation and this may be the answer to our problem at Kingston. If not, there are other means which can be used to halt the catastrophic waste of water.

Today the hon. member for Danforth raised the question of the Credit valley control system, without receiving a satisfactory answer. We pray that the minister will press the government to take action. We shall not plead with him to the point where we will get down on our knees, because I think there is a greater authority than the minister, but we do hope he will see fit to press the government into some action to achieve the solutions we believe are possible.

As has been stated by my hon. friend from Parry Sound-Muskoka, there have been conferences before. This is why we have not too much to say about the setting up of a committee. Surely at these earlier conferences there were people present with more experience on these questions than those who will take part in the committee now proposed, with the exception, of course, of the expert witnesses who will be called. It is, naturally, my hope that the committee will have a free hand in the calling of witnesses.

The minister has mentioned the meetings held in Michigan, Toronto and Montreal. One would have thought that as a result of these meetings some clear policy or course of action on the part of the government would have emerged. If the delay so far has been due to any watering down of the remedies put forward by the authorities, let us put an end to it now. Let us do something constructive. We may not have the opportunity again. When the growth of our country reaches a certain stage it will be much too late to begin anything on lines which are possible today.

Mr. Speaker, we are concerned with the conservation of water in areas of this country other than the great lakes and its associated system. My reference to this aspect will be brief because I realize I might be out of order, though of course this subject comes well within the competence of the minister whose motion is now before us. As I have indicated already, it is doubtful whether we really need a committee to consider water levels in the great lakes, because sufficient information must surely be available to the government as a result of the various conferences which have been held.

However, since the government has no particular policy to put forward we intend to support the setting up of a committee in the hope that as a result of pressure on the government some policy of action will evolve. I believe that if its work is to be effective the committee must be able to bring in outside witnesses such as Professor Langford, in addition to witnesses from the United States; because I think the problem in the United States is closely related to our own. There must be an indication from the government that it fully understands the efforts of our two countries in this field must be correlated. The Minister of Transport said this was not possible. Perhaps the minister of northern affairs will say the same thing, but I do not think his parliamentary secretary would agree with him. We feel there must be one policy, one course of action, one authority.

I wish to refer to the experience we have had in British Columbia; the great potential we have in the north and the fact that we may lose the possibility of developing a most valuable natural resource situated in the Yukon Territory. This most valuable resource may well be lost if we do not act quickly. I refer in particular to what is known as the Rampart scheme on the Yukon river. Its potential is many times that of the St. Lawrence seaway in hydro power alone. It involves a great body of resource water available for us to develop as Canadians.

We know there are alternatives which are currently under discussion. One is known as the Tulsaquan project and the other is the Tayia project; I believe those

are the correct pronunciations. We believe that this subject, because of its importance to the Canadian economy both now and in the future, should also be placed before the committee for consideration. If one of the alternatives I have mentioned were adopted we would lose the entire potential of the great body of water whose development is proposed. Other schemes would afford us at least a possibility of maintaining something for ourselves. I might mention, perhaps, that the Yukon river flows through Yukon Territory for a distance of 2,200 miles. It is the seventh largest navigable river in the world, and is extremely rich in resources of all kinds.

I therefore move, seconded by my hon. friend from Yukon:

That after the word "system" in the first line of the said resolution be added the following words: "and the proposal for the construction of a dam at Rampart in the state of Alaska on the Yukon river."

I do so in order that these matters may be discussed at one and the same time.

Some hon. Members: Question.

Mr. Deputy Speaker: Is the minister rising to address the house on the question of the amendment?

Mr. Laing: I would participate now, if there were no other speakers. But I understand that by some arrangement a number of speakers have been lined up; they will probably be able to relate the main matter while discussing the amendment which has now been moved.

Mr. Scott: We would prefer to have the amendment dealt with.

Mr. Herridge: I wish to speak on the amendment.

Mr. Deputy Speaker: The hon. member for Kootenay West.

Mr. H. W. Herridge (Kootenay West): I rise to support wholeheartedly the amendment which has just been moved. It is in line with the thoughts I had in mind about enlarging the scope of the terms of reference of this committee. We support this resolution in view of the fact that the development of our water resources is a national problem. In our opinion the terms of reference should be extended to include consideration of the development of other water resources, particularly those of our northwestern rivers such as the Yukon and the other rivers in that region which were mentioned by the previous speaker.

Throughout the years the chairman of the international joint commission, General McNaughton, made an annual report to the external affairs committee of proposals for the development of our water resources. Members of that committee were always delighted to hear this great Canadian scientist and engineer give his masterly report without reference to a manuscript and answer questions with great precision and in detail. Members of the committee on external affairs and many Canadians including a host of qualified engineers recognize the great contribution General McNaughton has made in the defence of Canada's best interests in war and in peace. We miss him very much. Hon. members have not seen or read very much about the international joint commission in the newspapers of Canada since General McNaughton retired from the chairmanship of the Canadian section of that body.

Now I want to refer to the question raised by the previous speaker. In doing so I want to quote a Canadian Press despatch from Whitehorse in the Yukon Territory dated September 17, 1964, a report which causes me to think along the lines suggested by the mover of this motion. It reads as follows:

Delegates to the B.C., Alaska and Yukon conference Tuesday rejected a scheme which would involve water from the three areas being exported as far as New York and Mexico.

The proposed scheme—

—and it is a scheme; that is the proper word for it.

—known as the North American water and power alliance, would divert northwestern rivers into a waterway from B.C. to the great lakes and southern U.S.

Representatives of the three regions agreed to issue a formal objection to the plan.

At Prince George Monday, John Davis, parliamentary assistant to Prime Minister Pearson, said a water exchange such as the one proposed had much to recommend it.

I dealt with that question during the estimates of the Minister of Northern Affairs and National Resources, but because of the reference to the export of these Canadian waters to the United States and their diversion to the St. Lawrence seaway, in our opinion as far as development of resources is concerned this problem should not be treated on a piecemeal basis but on a total basis.

The Minister of Northern Affairs and National Resources has already given evidence that he recognizes the need for a national water policy, and in this connection I would refer hon. members to page 8209 of *Hansard* for September 18, where I

quoted from the speech of the hon. member for St. Lawrence-St. George, made on behalf of the minister, and an excellent speech it was. He said:

> It must be clear to all of us that the development of a national water management policy is a priority which must occupy us for the next generation. I want to say to you at the outset that Canada has had such a policy for many years but that, to my mind, it must be revised and sharpened.

I am one of those who were very pleased to see the minister's recognition of the need for this policy.

I come now to the speech of the parliamentary secretary to the Prime Minister, who is the hon. member for Coast-Capilano. I should like to quote one paragraph of his speech which I thought was in distinct contradiction to the principles and policies outlined by the minister. This was a speech delivered at Prince George, B.C., on September 4 entitled "The Great Northern Water Plan", and he said in part:

> Today I want to talk about water. I want to talk about water resource development on a grand scale. I also want you to look ahead 50 or even 100 years. By then, we will be diverting our northern rivers southward. Advancing technology will help us to skim off their flood waters in order to meet the urgent requirements of people who live in the south.

In essence he means people who live in the United States.

Mr. Byrne: That is not what he says; he was referring to southern and eastern Canada.

Mr. Herridge: Well, who lives to the south of the Yukon and British Columbia? Certainly he is referring to the United States, as the rest of his text gives a clear indication. The parliamentary secretary to the Prime Minister is referring in this instance, and in other instances in the speech I have just quoted, to the necessity for the diversion of water to the south, to the United States. That is why I was very pleased to hear the previous speaker for the official opposition move the amendment he did, because I am one who believes that this problem has to be tackled wholesale, as it were, if we are going to develop a national water management policy.

The study of this question, Mr. Speaker, is of urgent and immediate importance. Many Canadians do not realize that, particularly in view of the United States proposal for the building of the Rampart dam mentioned by the previous speaker and the effect the building of this dam would have on the possibilities for the development of Canadian waters in the Yukon territory. I am informed that this dam would be situated in Alaska about 350 miles downstream from the Alaska-Yukon border just below the junction of the Tanna and Yukon rivers, and would flood back to Canadian territory. I am informed that this dam would develop about four million kilowatts.

Now, Mr. Speaker, this is the point. Once the United States captured this flow from the Yukon by the building of the Rampart dam, Canadians could whistle as far as proper and full development of the Yukon and other rivers is concerned. I see the hon. member for Yukon is nodding his head in agreement, and I am pleased to know that at least we agree on one or two things.

Why is this, Mr. Speaker? It is because of the insistence of the United States on their doctrine of "first in time, first in right". That means that once a dam is built in United States territory below Canada we cannot divert any waters which would affect the operation of that dam and any other use to which they wished to put the water stored behind it. If we allow this scheme to proceed we will have lost another opportunity to develop Canadian water resources for the production of Canadian power for Canadians with employment in perpetuity for Canadians, the provision of water for the irrigation of Canadian soil on the prairies and other portions of Canada, and to meet the increasing requirements of Canadians for water for various consumptive uses in Canada. It would also affect the possibilities for other developments.

What is known as the Tayia development was first proposed by the president of the Aluminum Company of America and supported by the then deputy minister of the department, Hugh E. Keenleyside. Fortunately for Canada these proposals were very quickly nipped in the bud by the minister of the department of the day, Hon. Robert Winters, and he did a good turn for Canada by doing so.

Mr. Nielsen: I think the hon. member means Mr. Lesage.

Mr. Herridge: No. I have personal knowledge of what occurred in the Rideau club on a certain evening.

Mr. Nielsen: I was thinking of *Hansard*.

Mr. Herridge: I know exactly what happened at the Rideau club during a famous dinner, at which this licence was taken away from Mr. Wilson, the president of the

Aluminum Company of America, by Mr. Robert Winters, who was minister of the department at the time. This story was told to me by officials of the department.

Mr. Wardell, who is a well known person in Canada, had worked out the Taku development, which I am informed would result in six million kilowatts of power development all in Canada, whereas the Tayia development would have provided two or three million kilowatts all in Alaska. Many competent people claim that what is called the Wardell plan would make proper use of waters of Canadian origin.

Let me point out that I am not an expert in these matters; I am just expressing the opinions of a number of competent engineers with whom I have discussed this matter and who have been closely related to this department. There would be storage in Atlin bay, and I am informed that the head available for the three stage development proposed would amount to some 2,300 feet. I understand that Mr. Wardell's plan is beneficial to Canada and is an entirely Canadian development, whereas the Rampart dam recently proposed by the United States, which is being pressed quite strongly by United States authorities, would seriously affect the development of the Yukon in Canada and would provide an opportunity for United States industries to establish a monopoly on metallurgical processes in trade with Japan in such metals as aluminum, magnesium and other materials.

Because of the interrelationship of these problems, the possibility of diversion of waters to the great lakes and the danger of our losing an opportunity to develop the Yukon in the best interests of Canada, I wholeheartedly support the amendment moved by the hon. member for Grey-Bruce. These problems are so related I believe there should be an over-all consideration of them and, further, in view of the need for a national water management policy and proposals for the diversion of northern waters south to the United States and into the great lakes basin, I urge support for the amendment moved by the hon. member, and that the terms of the committee be extended to include a study and report of all these related projects as a first practical step toward the development of such a national water management policy.

As the previous speaker said, let us call and examine witnesses. Let us call General McNaughton, with all his vast experience and knowledge in this field, before this committee. Let us call engineers like Mr. Wardell and others. I am sure the hon. member for Yukon knows of some witnesses we could call to the advantage of this committee. Let us call witnesses who have knowledge of the great lakes operations, from industry, from labour, as well as technical personnel of the department. Let us obtain all the facts while we have the opportunity of studying this question, because it is not isolated from the others. It is related to all the other water management proposals and to all the aspects of the development of a national water management policy.

In conclusion I urge the minister to give favourable consideration to this amendment, because we are trying to help and support him in his policy. The only thing of which we complain is that we are losing an opportunity at this time to deal with the problem on an over-all basis and get all the information required to satisfactorily deal with the water levels of the great lakes for years ahead.

I express again our wholehearted support for the amendment, and again urge the minister to consider it favourably, because we believe this is the best way to deal with this problem.

Mr. Nielsen: Mr. Speaker, I do not rise at this time to take part in the debate, but I thought I should ask the minister by way of a suggestion whether he is prepared now to indicate to the house whether the government is prepared to accept the amendment. If he does so, and gives a favourable indication, that might shorten the debate somewhat.

Mr. Laing: Mr. Speaker, I thought the question of the admissibility of the amendment might have arisen in your own mind, because it seems to me that a study of the Rampart proposal is not in any way related to a study of the great lakes. I must admit that acceptance of the amendment will mean an immense extension of the studies of the committee. At the same time I at once admit that I have no objection to this, because we have been saying that water, its uses and conservation is one of the greatest concerns in Canada, and will be during the next 20 years. I have no qualifications in that regard because I believe that implicitly. However, I should like it understood that in any studies which will be undertaken by the committee we allot the primary time to the study of the great

lakes problem, because this is why we initiated the resolution in the first place.

Some hon. members: Agreed.

Mr. Laing: The studies beyond that, in respect of the Rampart proposal—and I am sure this will be obvious to the hon. member for Kootenay West—will bring in their train a great number of other discussions and proposals. I have no objection to this amendment, and I am sure the government will not object, but I must point out that I think our first duty and objective, because of the representations which have been made by people in the great lakes area, is to study that situation and examine witnesses in that regard before proceeding with other problems.

Mr. Herridge: Mr. Speaker, I should like to ask the minister another question. Would the minister then say that after a study has been completed in respect of the levels of the great lakes he will move another motion for a similar type of study of the Rampart dam and associated policies?

Mr. Nielsen: That is what he said.

Mr. Herridge: Did the minister say he would accept the amendment?

Mr. Nielsen: Yes.

Mr. Herridge: Pardon me, Mr. Speaker, I did not hear that acceptance. I must say I am delighted by it.

Mr. Deputy Speaker: Order. Perhaps before we proceed with the debate on the amendment the Chair should be allowed to say that after looking at the amendment it seems obvious there would have been some difficulty about its admissibility. There is no doubt whatsoever that it enlarges the scope of the original resolution, and I think it will be agreed that under normal circumstances it could not be allowed. If there is any purpose in giving notice of a resolution it is to make sure that throughout the debate we consider the resolution as contained in the notice. The amendment proposed by the hon. member goes beyond the scope and confines of the resolution of which notice has been given.

On the other hand, the minister is prepared to accept the amendment as proposed, subject to certain limitations as to the order of consideration by the committee. In the circumstances I suggest we go ahead and proceed with the debate on the amendment.

[Mr. Laing.]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to speak briefly on the amendment. I think I understand it clearly, but I feel it is my duty to insist that consideration of the subject matter now before the house concerning the great lakes should be completed and a report made before we enter into a consideration of the second question. I admit there is a certain problem referred to in the remarks of hon. members, but I cannot admit that there is more than one basic problem contained in this resolution. If the committee considers the great lakes situation and makes a report, and then commences to consider the second situation, I will be glad to support the amendment. Otherwise I cannot support it.

Mr. Laing: Mr. Speaker, I am rising now to endeavour to deal with the very unusual suggestion made by the hon. member for Kootenay West, that we give an undertaking after the great lakes study, now so long before the Canadian public, that we will then make another reference to the committee respecting these much broader studies.

I do not know whether it would be pertinent or proper for me to make any such commitment at the present time, in the light of the assurance I have given to the house that we will accept the amendment. I think hon. members will understand that because we have set out specifically to call witnesses in respect of the great lakes levels, it would be better to conclude that study before commencing another. I certainly give this house my assurance that I am aware of the much broader problems introduced by the amendment and am conscious of the necessity to study them, just as there is necessity to study the great lakes problems, but at the proper time. I am quite certain that we will be agreeable later on to a motion dealing with the much broader problems in respect of water elsewhere in the country.

Mr. Winkler: On that basis, Mr. Speaker; inasmuch as the minister impressed us with his consciousness of the problem, and as the hon. member for Kootenay West was unaware of the intervention he made, we will agree to this suggestion.

Mr. Herridge: Mr. Speaker, I did not hear the minister's statement fully or correctly, and I withdraw my suggestion.

Mr. Deputy Speaker: Order. I should bring to the attention of the house that the hon. member has already spoken on the amendment, and unless he is only rising to ask a

question and has the unanimous consent of the house to do so, he cannot do so at this time.

Mr. Herridge: Mr. Speaker, I will ask a question. I trust the minister now understands that I made my suggestion because I did not hear him fully or completely. I am delighted to know that he accepts the amendment, and I will withdraw my suggestion.

Mr. Winkler: Mr. Speaker, we propose to accept the suggestion of the minister, and we will accordingly withdraw the amendment at this time.

Mr. Deputy Speaker: Is this agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is the house ready for the question on the main motion? The hon. member for Danforth.

Mr. Reid Scott (Danforth): Mr. Speaker, I wanted to rise to give support on behalf of the New Democratic party to the resolution before the house which will enable a committee of the house to undertake a thorough study of a most serious and complex problem, namely the water levels of the great lakes.

Indeed, Mr. Speaker, in a debate of this kind it is almost impossible to overemphasize or even to state adequately the importance of this great inland waterway to the economies of both Canada and her neighbour to the south. The existence of this waterway gives both the United States and Canada an inland development advantage over practically every other nation in the world. It supports the industries of some of our major cities such as Toronto, Hamilton, Windsor, Sault Ste. Marie and the lakehead as well as the limited United States cities of Buffalo, Cleveland, Detroit, Chicago, Milwaukee, Duluth and a host of others.

Unfortunately the problem of the water levels has in some degree become a cause of friction between the Canadian government, the provinces involved and some of the neighbouring states. This is regrettable, but it does emphasize the importance to the economies of both countries. Mr. Kierans, who has proposed a rather imaginative and expensive solution to the problem, has stated in a release:

> We go from crisis to crisis until we really land ourselves in a jackpot. By 1975 we'll have the biggest crisis of all. If they keep fighting among themselves they'll have a disaster on their hands.

This view of the importance of the problem and the immediate necessity for some action is reinforced by Professor Kenneth Hare of McGill University, who says:

> I think the great lakes water shortage is more profound than even Kierans estimated.

So there seems no doubt that the committee we are setting up is undertaking the study of an extremely important problem facing the Canadian economy as a whole. When you look at the present situation—I think for the benefit of the committee some of this information should be placed on the record, although the committee will receive additional information—the picture is one which creates a feeling of dismay. One of our regrets is that the committee should be given this task in what are really the dying months of the session. It is most unfortunate that an opportunity could not have been found earlier in the year to place this committee in action so that it might have been dealing with this problem while the house was preoccupied all summer with the question of a distinctive Canadian flag.

The reports that are available, Mr. Speaker, show that lake Huron is three feet below normal, the lowest level since 1860, and that lake Michigan is just as bad. Lake Ontario is down two feet and lake Erie a similar amount. The St. Lawrence river is at its lowest level in 30 years between Kingston and Iroquois, and Montreal harbour itself is just thirsting for water. This constitutes a gigantic and monstrous problem facing the entire inland waterway system, and the results of this condition are a staggering economic loss to Canada running into the millions. The low water levels affect the lives and the pocketbooks of every citizen in central Canada as well as those on the prairies, because the movement of grain is also affected. As I have said, the losses run into untold millions.

For example, in the iron ore trade alone the loss is estimated at $13 million. A total of 6,920,000 tons could not be carried because of the low water levels, which represents the seasonal capacity of 15 ships. Resort operators in the lake Huron and Georgian bay areas face economic ruin because of low water levels, high docks and the serious cutback in the tourist trade. In the first four months of 1964 alone Ontario hydro lost one and a quarter billion kilowatts of power, and if this continues for the whole year it will amount to a loss equal to the entire consumption of the city of Toronto for a whole year.

Grain shipments have been affected. The ships cannot take full loads, and every

Georgian bay port with grain elevators is losing money. The Midland elevators, for example, are down six million bushels in capacity. The Sault Ste. Marie locks can only be used by small lake freighters, again occasioning considerable economic loss.

To property owners the loss is just as staggering and personal. The St. Clair river is at the lowest level since 1934. Over the winter sewage pipes were exposed and frozen, sand beaches have reverted to rocky shores, boats and boathouses are landlocked by the hundreds. Harbours all along the system are practically useless for long periods of the year.

I put these views forward to emphasize the tremendous economic losses that we have sustained as a result of this problem. I am not being particularly critical of the minister. We all listened to his speech this morning, and I realize that he is seriously concerned with the problem and most anxious that something should be done. The real tragedy, of course, is that nothing has been done over the past five or six years even though the problem has been very evident. I think this is a sad reflection on the apathy and indifference of previous administrations.

As far as the causes are concerned there is a variety of opinion. Low rainfall and not enough snow seem to be the major problem. Greater evaporation has taken place. Some people blame the deepening of the channel at Sarnia for pulling the plug on lake Huron. Other people have advanced theories with regard to the Chicago diversion. In any event, there is not sufficient agreement on the causes and certainly far less agreement on the solutions.

In order to attack the problem and devise some solutions, many agencies have been at work. The United States corps of engineers, similar to our public works department, has done an enormous amount of studies, and I hope the minister will arrange to have all these studies available for the committee to examine and perhaps to hear some of these individuals in person. The Ontario water resources commission have been making an intensive study of the whole problem, and although their report is not expected until the end of the year there probably is a wealth of information that the committee should have at its disposal. There have been conferences between Ontario and the bordering states, and again useful information is available. What I want to suggest is that because of the magnitude of the problem and the necessity of fairly intensive study it is too bad that some way cannot be found to treat this committee—

Mr. Benidickson: Mr. Speaker, is the hon. member almost to the end of his text? It is one o'clock, but I should like him to continue if he could.

Mr. Scott: I guess I had better call it one o'clock.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Scott: Mr. Speaker, at the adjournment for lunch I had been discussing the complexity of the problem and some of the economic repercussions and damages that flow from the low levels of the great lakes. I had been emphasizing the extremely difficult and gargantuan task the committee faces. It seems almost as though the ultimate solution from a long run point of view may well involve sums of money that are far beyond the capacity of any province or any state, and may ultimately evoke some sort of international partnership between Canada, the United States and the various provinces and states bordering the great lakes. The more one examines it, the more it seems that any permanent, long run solution is going to be one involving considerable expense.

By way of conclusion I just wanted to state several propositions which, in our view, the committee should take into consideration. We hope the committee, above all else, will try to come up with some concept of the role of the federal government in this whole problem, and that it will try also to come up with some suggestions as to the nature of the over-all lake control system which will be necessary to control the flow of water throughout the whole of the inland system, rather than go into the idea of importing water into the system at this stage. This may be a secondary consideration. Above all else, we hope the committee will have associated with it on some permanent basis people from the water resources division, people who will be responsible to and who will work for the committee rather than for any particular department of government. I do not really see how a committee of this sort is going to handle this type of problem if it behaves in the normal way that committees of the house usually conduct their affairs. Because of the complexity of the matter, we hope that

the committee will have available to it the resources to retain any technical or professional help which may be needed, and any sort of clerical staff it will require.

We would like to see the committee empowered to sit even though the house may be in recess. It is not likely we will have a recess this fall, but the work of the committee should be continued. We hope it would continue. We hope some method could be found for a committee of this type continuing to meet, even though the session itself ends. I know our rules do not provide for such a contingency, but it seems a waste of time to set up this committee approximately two months before the session is likely to conclude, then wait four or five months at the next session for our committees to be constituted and begin their work. It would seem to us the personnel of this committee should be able to sit constantly and keep abreast of the work it is doing. In short, we want to be sure that this committee has every possible facility to enable it to attack this complex task, not only financially but in terms of personnel and staff.

In order that this desire can be clarified, I should like to move a simple amendment with which I am sure the minister will be in agreement. I move, seconded by the hon. member for Hamilton South (Mr. Howe):

That the motion be amended by adding at the end thereof the following:

"and the committee be empowered to engage technical and clerical personnel as it may deem necessary".

I think that if this is done it will greatly facilitate the work of the committee. We realize the important and complex task which is ahead and we wish it well in its endeavours.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): I should like to speak to the amendment for a minute, Mr. Speaker. I would preface what I have to say by saying that there have been some very constructive suggestions made this morning and this afternoon from the other side of the house. These suggestions will certainly be considered by the minister and by the committee during its inquiry into this subject.

This particular addition suggested by the hon. member for Danforth (Mr. Scott) causes me to wonder if it is in order in the sense that the powers sought to be given to the committee by this amendment are usually sought by the committee itself by way of a report to the house. Surely it would be up to the committee itself, when it assembles, to consider its terms of reference and to apply for the power to engage technical and clerical personnel. In other words, I would suggest to Your Honour that the amendment is out of order in the sense that it anticipates the committee's decision. The committee, if it so decides, would have this power in any event by way of referral of its report to the house and the subsequent acceptance of that report. Perhaps the hon. member would be content to allow the committee to decide this matter itself, and report in due course to the house. I would suggest, therefore, that if the hon. member for Danforth so desired he could withdraw the amendment and the committee would have an opportunity of deciding this matter. If he does not want to withdraw, I would invite Your Honour to consider it out of order as anticipating the study by the committee.

Mr. Barnett: If I may just say a word to the point of order, Mr. Speaker, which has been raised, it does seem to me the hon. member is advancing a very peculiar theory. If I may suggest, what he is arguing, in effect, is that a committee has greater powers than the house. This sounds to me like a rather peculiar line to take in raising a point of order. You probably realize, Mr. Speaker, that I do not claim to be any authority on the rules, but it does seem to me that the argument advanced, on the face of it, is a rather absurd one. The suggestion that the house itself has neither the power nor right to set the terms of reference under which one of its committees will operate is surely one which the parliamentary secretary cannot seriously support.

Mr. Turner: On the point of order—

Mr. Deputy Speaker: I would suggest to the parliamentary secretary that the hon. member for Comox-Alberni (Mr. Barnett) might be allowed to complete his contribution, after which the parliamentary secretary might wish to participate again on the point of order, by way of explanation.

Mr. Leboe: Mr. Speaker, I have only one point to make—

Mr. Deputy Speaker: Order. If the hon. member for Comox-Alberni (Mr. Barnett) has completed his speech I think I should recognize the parliamentary secretary at this point.

Mr. Turner: With the greatest respect to the hon. member who has just spoken, I say he has misinterpreted my argument. I did not suggest that the committee would in

any way be usurping the powers of the house. What I said was that usually the procedure for a committee is for it to decide if it wants such technical and clerical personnel and then, by way of interim report to the house, to ask for that power.

Mr. Barnett: Mr. Speaker, I do not want to argue with the parliamentary secretary, but if I understood him correctly—

Mr. Deputy Speaker: Order. The hon. member has already contributed to the point of order. The Chair will now recognize the hon. member for Peace River.

Mr. Baldwin: Mr. Speaker—

Mr. Barnett: Mr. Speaker, I was rising on the point of order, and the parliamentary secretary has claimed I misinterpreted his intent. I understood him to be attempting to argue that the amendment moved by the hon. member for Danforth (Mr. Scott) was out of order on the grounds that it was a matter which lay within the hands of the committee. I cannot agree that it is not within the competence of the house, if it so wishes, to give the committee power, as part of the initial terms of reference, to acquire the assistance which is set out in the amendment. The parliamentary secretary entirely misses the point of the argument I raised against his contention.

Mr. Baldwin: Mr. Speaker, one must admire the very ingenious argument raised by the parliamentary secretary, but the complete answer to his proposition is that while it is true in the final analysis it is for the committee itself to come to a decision as to whether or not it should engage technical and clerical personnel, yet it can only invoke that authority after it has been given to it by the house.

I think this is a very sensible step to take at this time, rather than have the committee decide later, if it so wishes, that it wants this power, and then have to come back to the house for it. This is not saying to the committee, "You must exercise this authority; you must engage technical and clerical personnel." By adopting this amendment we are clothing the committee with the widest possible powers, saying to its members, "If you see fit to exercise all or any of these powers, here is the authority to do so," thereby obviating the necessity for them to come back here for that authority.

This is something which has been done by at least four committees this year, including the public accounts committee, the joint committee on consumer credit and the fisheries committee, and money is appropriated for the use of these committees under the pertinent appropriations act. This is a sensible and useful amendment to adopt at this time, leaving it to the committee, during the course of their deliberations, to indicate whether they want to exercise this power or not. If they do not, then they do not have to come back to the house, and I submit with deference that the amendment is completely in order.

Mr. Otto: Mr. Speaker—

Mr. Deputy Speaker: Order. Is the hon. member addressing himself to the point of order?

Mr. Otto: Yes.

Mr. Deputy Speaker: For the guidance of hon. members I think I should say the Chair feels sufficient argument has been advanced on this point to reach a decision now, but perhaps the hon. member thinks he has a contribution which might change the mind of the Chair.

Mr. Otto: I do not know if I am going to change Your Honour's mind, but I think we should face the language of truth. Surely no committee has ever been denied whatever staff it needed. It seems to me the hon. member for Danforth (Mr. Scott) was chastised a little while ago by one of the local newspapers for having missed some Friday sessions and, by accident or otherwise, being here today, all he requires is a vote to be taken to register that fact.

Mr. Scott: I don't have to take that kind of nonsense.

Mr. Deputy Speaker: Order.

Mr. Scott: He is the biggest absentee in parliament.

Mr. Deputy Speaker: May I suggest that the contribution of the hon. member for York East (Mr. Otto) was rather irrelevant and certainly did not contribute to changing the mind of the Chair.

It seems quite obvious to me that the amendment proposed by the hon. member for Danforth does not extend in any way the scope of the main motion now before the house. It does not direct the committee to do anything in particular. It does not extend the scope of it and does not anticipate, as has been suggested by the parliamentary secretary, whether the powers which it seeks to give to the committee will actually be

exercised or not. I think the amendment as proposed is quite acceptable and is in order.

Mr. Turner: Mr. Speaker, we will accept the amendment.

Mr. Deputy Speaker: Is the house ready for the question on the amendment?

Some hon. Members: Agreed.

Amendment agreed to.

Mr. Scott: On a point of personal privilege, Mr. Speaker, I want to protest the statement of the hon. member for York East (Mr. Otto) that I happened to be here by accident. It is the type of cheap, smeary thing he is used to saying, and he is well known for having that type of mentality.

Mr. Knowles: You Torontonians are such warm friends.

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

Mr. Bert Leboe (Cariboo): My remarks will be very brief, Mr. Speaker, but at the outset I would like to raise what might be called a point of order on what took place here this afternoon, on the basis of questions and answers while Your Honour was in the chair. We could well do without this when we are sending something to a committee. It delays the house and cuts down on the amount of time available to it.

I believe it is important that we devise a national policy in connection with the problem of water and other types of conservation. Water shortage will be one of our major problems in the next decade. The motion before us deals with the watersheds running into the great lakes. The importance of this matter is apparent to the people in eastern Canada, but it should be part and parcel of a national policy.

It should be included within the framework of the policy which the government intends to pursue. I believe that according to the report which was made on the Fraser river it is proposed to build a dam on the north fork of that river, or on the McGregor river, for flood control purposes. This is another part of the same problem. We should I think be looking forward to a time when we may wish to use water for the transportation of materials in pipe lines. Plans for transportation by this means are now being made in Edmonton in connection with shipments of iron ore from the Peace river area. All these matters must be related to the motion now before us.

May I conclude by saying I do not think these water resource studies can be separated from the question of forest cover in Canada. It is important that the whole question of forest protection and sustained forest yield, the maintenance of moisture in our soil and the prevention of evaporation, should be tied in with this question of water conservation and use. The committee to which it is proposed this problem shall be sent is one which is in my view well constituted and qualified to study this important matter in relation to the others which will come before it.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, upon taking the floor to participate in this debate, I wish to point out that I shall be very brief.

I want particularly to assure the house that our party favours the motion now under study, namely that the subject matter of the water levels of the great lakes be referred to the committee.

I noticed this morning, and again just a while ago, that the members are deeply interested in this matter. The amendments which have been introduced bear proof of this.

All of us recognize that the problem of regulating the flow of this natural resource to ensure better use and service is one of great importance. I am pleased to see that the house is paying attention to this problem, and we will make it our duty to give any assistance we can when this study is undertaken.

During the summer three meetings were held—two in Canada and one in the United States—precisely to study this problem. Therefore, it is evident that not only Canada but also the United States are interested in this problem. It is almost a matter relating to boundaries. It is important that Canada study it thoroughly in order to ascertain what we can do in this respect, and I feel the meetings which were held during the summer will be beneficial to the committee entrusted with this study.

Before I take my seat, I would like to point out that suggestions were advanced to solve this problem of the water level, and I will remind you that an engineer from Sudbury, Mr. Thomas Kierans, made a suggestion which deserves the consideration of the committee; it is still being studied in certain quarters, and I hope the committee will consider it carefully.

[*Text*]

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

Some hon. Members: Question.

Mr. Deputy Speaker: If the minister speaks now he will close the debate.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): I should like to take this opportunity to thank hon. members opposite for the important contributions they have made. I think their suggestions are extremely valuable. I should like in particular to acknowledge the contribution made by the hon. member for Grey-Bruce (Mr. Winkler) and for his friendly attitude in withdrawing the amendment he put forward in order to clarify the matter and enable the work of the committee to be concentrated upon the first consideration before it, namely the level of the great lakes.

The hon. member for Middlesex West (Mr. Thomas) pointed out that the committee could not establish policy, and of course that is so. This is primarily a committee before which purely technical matters will be dealt with, and we hope that out of its deliberations we can derive a reliable and sound policy for the future. I wish to remind the house that our consideration of all these questions of our natural resources, particularly our water resources, dates back to the resources for tomorrow conference of 1961. I have paid tribute to that conference in the past and I express once again the hope that the magnificent assemblage of data which resulted from that conference could be made required reading for all Canadians. We face this difficulty, that these resources, including the waters which flow or tumble within the separate provinces, are a provincial resource and our provinces are naturally jealous of their rights. But to the extent that presenting the picture in total to the public will lead the public to recognize that it is within the power of a province to do something which will cause inestimable damage to a neighbouring province, we hope we shall be in the position soon when people everywhere will realize that, particularly with regard to waters which flow across provincial boundaries, there is such a thing as a national resource in Canada in which all Canadians can share.

I do want to claim that we have done, to date, as much as we can do. We have been in touch with the provinces concerned with regard to the possibility of diverting water supplies, or of possible diversions to areas where they are required. We are expanding enormously the amount of money to be spent on making the necessary studies of a national water policy. I want to remind hon. members that time has been on our side in respect to water development in this country. I believe that even those who in 1955 supported the agreement made in the province of British Columbia at that time between the provincial government and the Kaiser people would admit, today, that they were in error. It was suggested then that the provincial government should permit the building of dams on the Columbia river in return for an income of $1 million a year. By waiting, as the hon. member for Danforth (Mr. Scott) has pointed out, and by realizing the tremendous importance of water in every sphere of activity, we have been able to conclude an agreement with our neighbour the United States under which by 1972 more than $500 million will be returned, in effect, for the use of that particular river.

I hope that out of the inquiry to be made by this committee, using the best technical people it is possible to obtain, there will come a conviction on the part of all Canadians of just how important these water resources are.

Motion (Mr. Laing) as amended agreed to.

SUPPLY

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

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

Dominion coal board—

65. Administration and investigations of the dominion coal board, $179,400.

Mr. Martineau: Perhaps the minister is going to make a statement.

Mr. Benidickson: Mr. Chairman, the committee will recognize that earlier the major portion of the items related to the Department of Mines and Technical Surveys had been passed by this committee. There was left over items related to the dominion coal board. The previous minister has spoken and has asked for some comments. I think the former minister from Pontiac-Témiscamingue will remember that in the announcement I made last year I said that instead of having an item for the dominion coal board, which was an annual item included each year, we would this year provide for this form of subvention on a five year basis. This has not yet come before the members of this committee but will come in the form of an item in the supplementary estimates and will appear within a week or two. This surely gives some assurance to the coal industry of our desire to co-operate with

them on this long term policy. When I say "long term policy" I would also assure the committee that both at the top political level and at the top civil service level we are studying the coal problem in the hope that eventually we can get out of the necessity of paying these subventions in this amount.

The hon. member for Kootenay West asked me a question some three or four weeks ago at a time when my estimates were coming up within the next day or so. May I say to him in reply that so far as any long term coal policy is concerned the question is getting the most active consideration, not only on the basis of a committee composed of members of the cabinet but also consideration by members of various departments who deal with coal and energy and who might be interested in it. I cannot tell him today but I hope to be able to tell him in the near future that progress has been made.

Mr. Martineau: Mr. Chairman, I am happy to hear what the minister has had to say regarding the provision of subsidies on a longer term, a five year period. He mentioned that a supplementary item would be placed before the committee to provide for this but I really do not see how a supplementary item would fit this purpose. The item, I expect, would be renewable—unless the minister has some other explanations to make—every fiscal year, so I do not see how we would really be making any progress at all.

I feel that what is required is legislation, and then with statutory authority the minister could as a matter of course have his estimate approved each year. In that event there would be no change because the statute would already have been passed and would embrace the specific period, and this would oblige this or any subsequent government to bring forward the necessary estimate. Therefore I think the minister should carefully consider the need for positive legislation in this field, legislation which has been asked for by the coal industry itself as well as by the purchasers of coal abroad, particularly the Japanese. Owing to a scarcity of coal at home they must arrange their purchasing program on a long term basis, and unless the government takes action soon in this regard I think we may lose a very important and developing market.

Mr. Harkness: As the minister is aware I am particularly interested in subsidies paid to assist the movement of coal to Japan from western Canada. I am wondering whether the minister could inform us how much of the total amount of $14 million odd in the minister's estimates is used for that particular purpose and how many tons of coal it will enable to be exported to Japan during the present fiscal year. He might also indicate at the same time whether this is an increase or a decrease in the amount of coal assisted in that way to be moved to Japan.

Mr. Benidickson: Mr. Chairman, although I may lack some detail in answering the hon. member for Calgary North, I do know he is well aware that we made an arrangement within the calendar year for an increase in this subsidy involving, I think, 200,000 additional tons of coal which was entirely exported to the Japanese market. As I recollect it, this involved an additional $2 per ton. I would remind the hon. member that while we agreed to this step, it is not entirely satisfactory or helpful to trade. I am told that the Japanese purchasers look upon this action with a little reluctance, having regard to the opportunity of buying coal from Australia without subsidy, and it is this element of uncertainty in the export market which is bothering everyone in the industry. However, we have to stabilize the industry in western Alberta and eastern British Columbia and we did agree for the last year to increase this subsidy.

Mr. Harkness: Mr. Chairman, as the minister is aware the operators of these mines in western Alberta and eastern B.C. have done an extremely good job in improving their methods of mining and thus bringing down the cost of producing coal. As a result the amount of subsidy required to make it possible for them to move this coal to the Pacific coast so that it could be exported has been considerably reduced from what it was. I do not quite understand what the minister means when he says the subsidy has been increased $2 a ton. Actually the movement over the past several years has been in the opposite direction: The amount of subsidy per ton has been reduced because the operators, through efficient methods, have been able to reduce the cost of production and thus do not require as much help from the government to enter the market.

Mr. Benidickson: Mr. Chairman, I think I was inaccurate. I should have said that the total subsidy was increased on the total tonnage involved within the last year.

Mr. Harkness: Well, this is the point I want to get at, and that is why I asked the minister for the figures for the tonnage which will be

moved in this current fiscal year. I think the figure he gave was 200,000 tons, is that correct?

Mr. Benidickson: It is my impression that following a meeting in Japan we agreed with our coal producers here in Canada to an increase in exports of about 200,000 tons.

Mr. Harkness: Perhaps the minister and his officials could supply us with those figures so that we might have that useful information. I refer to the figures in respect of the estimated exports of coal for the current fiscal year, as compared to the three previous years. I should also like to have the exact figures relating to subsidies per ton, so that we might have some indication of the cost to the taxpayer of enabling our coal mines in those areas to compete for Japanese markets. I think we should have those figures on a tonnage basis.

The operators themselves look forward to that day when they will be able to export their coal to Japan and to the United States without the necessity of a subsidy. They look upon the subsidy paid at the present time as a temporary thing to help them through a difficult period. I think this policy is helpful as far as the coal industry in that area is concerned, and as far as the attitude of the operators is concerned, but the operators do not look forward to assistance indefinitely from the taxpayer, but on the contrary to a time when they can operate this business without subsidy. The figures in respect of the subsidy being reduced are of value and importance to the members of this committee.

In order to maintain the Japanese market these coal operators must be in a position to give some guarantee for future deliveries for a period of years. The Japanese buyers naturally look at their coal needs on a long term basis and are interested in knowing whether they are going to be able to buy this coal at a favourable price for a period of three, four or five years. For that reason there has been a desire to have these subsidies placed on a permanent basis, or at least for a period of five years. In this way the Japanese customer would be assured that the subsidy would not be cut off at the end of any particular fiscal year.

My understanding is that the minister intends to make a definite announcement very soon in regard to subsidies. As was pointed out by one of my colleagues, if the subsidies were put on a legislative basis it would be much better. Certainly I think there is a necessity for coal operators and their Japanese customers to be assured that the supply is going to continue and, with government assistance, that the Canadian producers will be in a position to fulfil the contracts for several years. Unless there is that stability I think the Canadian producers will be in severe danger of losing this market to Australia and other sources.

[Mr. Harkness.]

Mr. Benidickson: Mr. Chairman, I do not intend to sneer at the remarks of the hon. member for Calgary North, but I should like to remind him that he sat in this house at a time when these subsidies were based on a one year proposition.

This afternoon I informed the house that we have given more assurance and security to the industry than has ever before been given, as a result of the announcement that we would base this program on a five year period. This program, as hon. members are aware, has been carried out until this time on a year by year basis. We have ready at this time, for presentation next week, supplementary estimates to take care of this new five year program, confirming what I said in this regard last June or July.

I am not particularly happy about the subventions. Many people are unhappy about subventions paid in respect of coal or anything else, particularly during prosperous times. We are working very strenuously in an attempt to find a way of avoiding this kind of subvention, specifically in respect of western Canada coal. I can assure my hon. friend from Calgary North that within the last year we have increased the opportunity for shipments of coal to Japan. I think we have gone a long way in helping that industry to compete with the Australian supplier of coal. I assure this committee that we desire to sell western Canadian coal.

Mr. Harkness: Mr. Chairman, I wonder whether the minister can now obtain from the chairman of the coal board the figures I asked for a few moments ago.

Mr. Benidickson: As a result of a meeting which took place last fall in Japan between our people and people otherwise interested in the coal industry, we were able to enter into a three year contract covering an amount of coal greater than ever before. I think this contract involves the sale of 200,000 additional tons of coking coal per year.

Mr. Martineau: Mr. Chairman, I do not understand the minister's explanation in regard to how these supplementary estimates he intends to introduce next week will guarantee a subsidy on a five year basis.

Mr. Benidickson: Mr. Chairman, as the former minister must know, these supplementary estimates have been presented to me in a form which I think is satisfactory to this house, but the presentation of them to this house depends on the House of Commons timetable.

Mr. Harkness: Mr. Chairman, I understand from what the minister has said that there is a government guarantee which will enable 200,000 tons of coal to be moved this year and in each of the two subsequent years. What is the amount of the subsidy being provided to make that possible?

Mr. Benidickson: Of course this is an additional amount because this is a new program based upon an agreement with Japan. The proposal came to me and to the government and involved an ultimate cost of roughly $600,000. We have agreed to this proposal. I am informed that the unit price is perhaps closer to $3 per ton, or roughly $2.73. That price will apply to coal exported from western Canada to Japan.

Mr. Harkness: Can the minister now tell us what was the subsidy per ton in this regard during the years 1961, 1962 and 1963? The figure he has just given is for 1964.

Mr. Benidickson: Mr. Chairman, I assume the hon. member is inquiring about the relationship of subsidies from the coal producing mines in Alberta and British Columbia to the ocean port. Is that it?

Mr. Harkness: Yes.

Mr. Benidickson: Mr. Chairman, I think all members of the committee will recognize that this is quite a technical proposition. My hon. friend asked us to go back to 1961-62. At that time we moved 701,000 tons and our subsidy was $4.50 per ton. In 1962-63 our subsidy was $3.63. In 1963-64 we think we have got it down to $3.19 and our estimate for the coming year, 1964-65, even with increased tonnage, would be $2.73 per ton. That is quite a bit less than our maritime movement.

Mr. Martineau: In regard to how many tons? The minister did not give that figure.

Mr. Benidickson: The estimate for 1964-65 would be on the basis of 950,000 tons.

Mr. Harkness: Mr. Chairman, these are figures which I think the committee should be well aware of. The cost per ton of moving this coal has steadily gone down from $4.50 per ton in 1961 to $3.19 last year and an estimated $2.73 per ton for the current fiscal year. I think this is an excellent record so far as coal subsidies are concerned. In fact, it is the only case I know of where there has been a steady reduction instead of a steady increase. One thing I did not understand was the figure of 200,000 tons to which the minister referred. My memory was that we were exporting a great deal more than 200,000 tons. The minister has just said that in 1961 the tonnage exported was 701,000 tons and the estimated tonnage this year is 950,000 tons, an increase of about 250,000 tons. I take it that the 200,000 tons to which the minister referred in the beginning was the increase over the tonnage exported last year. Is that correct?

Mr. Benidickson: Yes, Mr. Chairman. Based on the agreement made with Japan an increase of 200,000 tons of coal for that market was considered and eventually decided upon. I was not there but I received a report and I recall there was some possibility that one of the other Alberta mines might have automatically been able to take advantage of the export opportunity, but I do not think they have done so. So it was a 200,000 ton increase based on the normal formula of subsidies that we have always had for coking coal.

Mr. Herridge: Mr. Chairman, I have only one question to ask, and I would have given way to the hon. member for Cape Breton South because I know he is interested in this matter. I might say I was very interested to hear the minister's remarks with respect to the study of the coal policy being made by the cabinet, the officials and other persons with a view to placing the whole matter on a somewhat firmer foundation than arranging for a five year subvention period. I presume this was done in order to give time for a complete study to be undertaken and a policy evolved. We all recognize this is a long term project because we have very large coal resources, and many other countries are without these resources. Would the minister explain to the house briefly how this policy is being devised from the point of view of consultation with the provinces concerned, the countries which are seeking to purchase our coal, the industry in Canada, the labour organizations involved and the research institutions which are associated with the problem and play a very important role?

Mr. Benidickson: Mr. Chairman, I think it is a year ago that some encouragement was

given to the coal industry, both labour and management, because of the five year assurance I announced. In the meantime I have been worried about this policy. It is taking $18 million a year and I have been concerned about it. I want something solid that will be good for the future. In the meantime we have to have some stability.

I have talked to the labour unions about the new events that have taken place in the coal mines involving automation and so on. Indeed, I have gone down into the coal mines and have seen the new machines that displace labour. I have talked to some of the people who own the mines, inasmuch as I want to know what their ideas are about the future. With the resources and brainpower that we have here in Ottawa I think that in the next four years we are going to develop a pretty good policy.

My hon. friend asked what collaboration there is with the provinces. Every year we have a mines ministers' conference. All 10 provincial mines ministers meet and this proposition would be a natural one for their agenda. We discussed it last year and again this year and I think we are making some progress.

Mr. MacInnis: Mr. Chairman, the minister referred to the policy announced last June—I think he mentioned the date—of paying the subventions on coal over a five year period. I can tell the minister that this announcement was very well received by both union and company representatives in the Nova Scotia coal industry.

Although I did not see any great advantage in it, I would be inclined to support the remarks made by the former minister of mines, the hon. member for Pontiac-Témiscamingue, a few moments ago when he said the matter should be the subject of legislation. However, the fact the minister has announced that, as a long range policy, the subventions are going to be applied on the basis of five years rather than year to year, I hope does not mean the subventions will remain at a fixed amount. I should like the minister to advise the committee that the policy will be a flexible one and, if necessary, the amount could be increased.

We all hope that in some way or other increased subventions will not be necessary. Although, as I say, originally I did not see any great advantage in this subvention policy, nevertheless I now accept it as being possibly a very good thing in view of the fact the minister has stated he is not happy with subventions. He has stated also he would like to be rid of the necessity of paying subventions. Tying this remark in with a remark by a member of the coal board which, although I presume it was directed to western subventions, contained implications directed at the east coast, I was happy to hear the minister inform the committee that there was no such implication in so far as the east coast was concerned. The minister himself has advocated the need for getting away from these subventions. I might say here that coal is not alone in this category. We can go right across the board and find industries throughout this country which are subsidized to a far greater and sometimes lesser extent than coal itself.

The minister remarked that he is not happy about the necessity for paying subventions, and tying in the remark by the member of the coal board with the statement by the parliamentary secretary to the Prime Minister, that coal subventions should be done away with, places the industry in Nova Scotia in a rather precarious position. The industry is always on its guard as to what is going to develop in Ottawa. Although there is nothing official in the way of a policy announcement, and although when I questioned the minister he assured me there would not be anything of this nature happen, the fact remains that there are people abroad in this city who feel that the Rand coal commission report should be fully implemented. When I say "fully implemented", I am thinking primarily of the recommendation he made to reduce coal production in Nova Scotia to three million tons per year. I am sure the minister is aware of the drastic effect this would have on coal operations and on the working force within the coal industry of Nova Scotia.

Although as I said, originally I saw no great benefit in the announcement that subventions were going to be paid on a five year basis, at least we can look to that statement as a possible protection against the wedge that people appear to be attempting to drive into the coal industry in Nova Scotia. It is not my intention to refer to the west in connection with this subject. I have not watched western developments with as much care as I possibly should have. However, I am taken by surprise by the minister's reference to the Japanese coal market. Possibly the minister could straighten me out on this, and I am just asking for my own information, but I understood that the subventions in the east were paid on transportation, and were paid directly to the transportation company. They are not paid to the mine owners or operators.

What would similar subventions on the west coast have to do with the Japanese purchasers of Canadian coal? Why should they concern themselves about that? After all, if this subvention is paid in the west as the subvention is paid in the east, why would the Japanese concern themselves about this policy?

Mr. Benidickson: My understanding is, Mr. Chairman, that anybody requiring a product as important to his industry as coal, is a little nervous about a product that is based on a subsidy in the land of export. This applies to the utilizer in Japan. There is no such thing in Australia, so far as I know and therefore, for a long term connection, the Japanese are just a little hesitant about buying from a market that is based on a domestic subsidy.

Mr. MacInnis: Would not the purchasers have a firm contract in which the price was stipulated, and what bearing would the subvention in the exporting country have on a contract drawn up in which a firm price was stated? I cannot see the reason behind the Japanese purchasers concerning themselves over the fact that a country would subsidize any one type of product. They would have a firm commitment on price and the subsidy, as I understand it, is paid in order to allow the Canadian product to compete in that market.

Mr. Benidickson: My point was that, for the first time, not only the Canadian seller but the foreign buyer had a little longer term as assurance than they had before, as a result of the policy I announced last summer. There will now be a five year term instead of the precarious predicament of wondering, year by year, if parliament would pass an item in the estimates.

Mr. MacInnis: Will the minister now give the committee assurance that there will be no policy adopted by his government to implement the recommendation in the Rand commission report concerning the three million production per year?

Mr. Benidickson: Mr. Chairman, the recommendations of the Rand commission of 1960, some recommendations made earlier and even currently, must be considered. I could not give my hon. friend the assurance that we would not consider everything and anything that relates to a problem in our economy that is so great.

Item agreed to.

The Acting Chairman (Mr. Laprise): This completes the estimates of the Department of Mines and Technical Surveys.

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION

Indian affairs—

15. Administration, operation and maintenance including expenditures on works on other than federal property, grants and contributions as detailed in the estimates, recoverable expenditures under agreements entered into with the approval of the governor in council with the governments of the provinces and territories and with local school boards in respect of social assistance to persons residing on Indian reserves other than Indians and the education in Indian schools of children other than Indian children, and to authorize the Minister of Citizenship and Immigration to provide, in respect of Indian commercial activities, for the instruction and supervision of Indians, the furnishing of materials, the purchase of finished goods and, notwithstanding any other act, the sale of such finished goods, $47,742,400.

Mr. Rhéaume: Mr. Chairman, before the estimates of this branch carry I want to make a few remarks to the Minister of Citizenship and Immigration, since I am aware he does not intend to make a further statement at this point. The older Indian people in the part of the country in which I live often say that many years ago, before the white man came to Canada in any numbers, the Indian had all the land and the white man had the Bible. These days it is the white man that has all the land and the Indian has the Bible.

I tell this by way of prefacing my remarks on the Indian claims commission and the legislation respecting it, which was supposed to have been introduced and processed by parliament. This one aspect of Indian affairs is deserving of most of the complaints by members on this side of the chamber, because the history of it is a pretty sorry mess in terms of the inability of the department to meet a most pressing need and a most pressing commitment. Because nothing has been done it is my opinion things would be better had it never been mentioned in the house and mentioned to the Indian people.

The basic obstacle separating the Indian and non-Indian people of Canada is a lack of trust on the part of the Indians in the dealings they have had with successive Canadian governments. There are countless examples in our history where the rights of Indian people were abrogated, curtailed, or taken away entirely. There are countless examples of treaties signed with the Indian people by governments that had no intention of living

up to either the spirit or the letter of those treaties.

I can give the committee a good example from my own area in northern Canada, and which I am sure could be duplicated by many members. I have here a copy of treaty No. 11, signed on July 17, 1922 by the government of the day with the Indian people of the north. One of the statements by the commissioner in the opening part of it, talking about the difficulties they had getting Indian people to sign peace treaties, reads as follows:

> The Indians seemed afraid, for one thing, that their liberty to hunt, trap and fish would be taken away or curtailed but were assured by me that this would not be the case.

That treaty was signed in 1922; yet in 1917, some five years earlier, the government of Canada had signed an international agreement with the governments of the United States and Mexico, in terms of the Migratory Birds Convention Act, which specifically limited the right of the Indian people to kill certain kinds of migratory birds at certain times of the year. Thus we had a treaty being negotiated and signed by the Indian people, presumably in good faith, yet five years earlier the same government had signed away the Indians' rights in entering into an agreement with the governments of the United States and Mexico.

We do not have to go back to 1922 to find more examples of this. The first day I entered this chamber, on May 31, 1963, a question was asked by the hon. member for Skeena, who has been no slouch when it comes to standing up for the rights of Indians—and in saying that I do not indicate he is a slouch in anything else either—and his question drew the attention of the Prime Minister to a decision handed down by Chief Justice McRuer in the Ontario supreme court, ruling that the Indians' right to hunt, trap and fish must be respected.

The hon. member asked the Prime Minister to see to it that the Ontario supreme court decision be communicated to all federal officers and agencies throughout the country, and to the provincial governments, to make sure in future the rights of these Indian people would not be infringed. In that part of his answer which was not facetious the Prime Minister said, as recorded at page 502 of *Hansard* for that date, "Mr. Speaker, I will be glad to do that . . ." Then he went on to make a jest, but those were the key words. In actual fact he did not, and many members have been besieged by other cases involving Indian people who have continued to be persecuted in the courts.

[Mr. Rhéaume.]

Law officers and various crown agencies continue to harass the Indian people when they break game and fish laws which the chief justice of Ontario categorically ruled do not apply to the Indian people. It is little wonder then that the Indian says the white man speaks with a forked tongue, because our pattern of dealing with the Indians over the years has been one of promises and trusts broken, and outright betrayals.

There are ways of building trust with a group of people who may for the time being be socially and technologically under developed. The minister would do well to look at some of the things which occurred during the administration of the previous government. You build trust in people when you give them the right to vote, and for the first time in Canada all Indian people over 21 years of age had the right to vote in the 1962 general election. For the first time there was a way for them to express their likes and dislikes and exercise their democratic responsibilities under the franchise. That was an important step.

The previous administration also appointed a senator from the Indian people, so that again for the first time in Canada's history the Indians had a representative in parliament. If you look at the estimates of the various departments you will notice there was a dramatic increase in the moneys allocated to health, education, welfare and housing matters for Indian people. It is a basic principle that a cold, hungry, sick person is a second class citizen and that you must attack those evils before trying any other kind of rehabilitation.

The history of the Indian claims commission is a shoddy one, for which some of the responsibility must rest upon the minister's shoulders. On his head will rest the blame from the Indians, should we see a repetition of this history. Mention was first made of the establishment of an Indian claims commission in the throne speech of September 1962. This gave notice of legislation which would be brought in. At the same time, behind the scenes, the machinery for consulting the Indian people was set in motion. In the speech from the throne to the first session of the twenty sixth parliament in May, 1962, no mention is made of the Indian claims commission.

An hon. Member: The government had changed, then.

Mr. Rhéaume: The government had changed. But very early in the session a commitment

was made to proceed with the establishment. In August, 1963 I attended a convention in Winnipeg with the former minister, now the Minister of Justice. It was a convention of the national Indian council of Canada. The minister told the Indians who were assembled in Winnipeg from all parts of the country that legislation was to be introduced in the house before Christmas and that very soon the Indian people would have a commission to which they could bring all their claims and to which they could report all the injustices which everyone knows exist.

In November, 1963, when it became apparent there would be delay, I raised this matter in the House of Commons as reported in *Hansard* of November, 1963 on page 5898. I recall that the minister of that day got excited when I suggested there had been a betrayal of the Indian people. He rose on a question of privilege to say that as superintendent general for Indian affairs he would not let these people down. At that time I said to the minister: If there is to be further delay, let the Indian people know about it, not just the members of this house, and tell them the new date by which it is expected the commission will be at work. If the minister were to do this, I said, he could retain the trust the Indian people had in him. And I can assure the minister from my meetings with Indian delegates, that they had trust in him. This was the suggestion I made to the minister in November—not to get excited and start protecting himself but to let the Indian people know of his plans.

The next page in this story of legislative indecision is to be found on page 319 of *Hansard* for February, 1964. By this time certain problems had arisen behind the scenes on the government side and there had been a change of minister. I am referring to page 319 of *Hansard* for February 27, 1964 where members will see that the present minister tells the house and, presumably, the Indian people of Canada, that the government does not intend to proceed with the legislation but intends to consult with the Indian bands. Almost a year after the government has taken office they intend to consult with the Indians as the only way of finding out what the Indian people really want. That is what the hon. gentleman said.

Well, in March of 1964, as hon. members will see if they refer to page 826 of *Hansard*, I asked the Minister of Citizenship and Immigration on the orders of the day how the consultations were going. He replied, in effect: They are going fine but we are still consulting with the Indian people; as soon as we get their advice we will boom ahead to set up this claims commission for them. And at the end of March, speaking on the minister's estimates, I gave the minister some advice—I did so because the portfolio had changed hands and I knew that the former minister might not have passed on the advice given him by members on this side of the house. I said this as reported in *Hansard* for March 13, 1964, at page 900:

> The Indian claims commission holds tremendous promise for the Indian people of Canada. They are very keen on it. I have referred before to the efforts the previous minister made in dealing with the Indian people to assure them that the government was going to proceed with this commission, I assure the present minister, as I did the past, that the Indian people are keen on the commission.

These are the pertinent words:

> Do not betray their trust and do not, through inaction, allow their enthusiasm to wane and permit this commission to go the way of so many other projects.

Well, Mr. Chairman, nothing happened. The next episode I wish to put on record again is to be found reported at page 2760 of *Hansard* for April 30, 1964. I asked the minister on the orders of the day whether he could assure the house and the Indian people of Canada that he would proceed with the matter of the commission and introduce legislation at an early date. This was at the end of April. The minister replied, in effect, that he was still consulting with the Indian people; he still wanted to find out what they thought. But he intended to introduce the legislation during the second part of the session.

An hon. Member: After the recess.

Mr. Rhéaume: Presumably it was to have been after our well earned summer recess.

The next entry to which I will call attention is reported at page 3683 of *Hansard* for Thursday, May 28. Again I asked the Minister, because I knew the federal provincial conference on Indian affairs was being postponed, whether this would have the effect of delaying a decision on the Indian claims commission until after October. The minister said in reply that it would not. It would not delay it, he said, because there was "no relation whatsoever between those two matters". That was at the end of May, 1964.

Now we come to August of 1964. The same minister. Here he is, this man of action, speaking in the house as reported at page 6861 of *Hansard*. He says this:

> In keeping with our wish to consult the Indians on all matters of direct concern to them, the

Indian claims Bill No. C-130, as introduced in the house on December 14 last, was sent in January to Indian bands, Indian organizations and others throughout the country.

The minister added that he had received some replies from the Indians and intended to give these close study. This was in August, 1964. Now he has consulted with the Indians and all that remains for him to do is to study the replies.

Let us see what happened in September, 1964. I refer, you, Mr. Chairman, to page 8387 of *Hansard* and to the question directed to the minister by the hon. member for Cariboo. The hon. member for Cariboo wonders how things are going with regard to the Indian claims commission and the minister says, in effect, that he has consulted with the Indians. He has obtained replies from them. Members will recall that the last time this matter was raised the hon. gentleman was going to study them. Well, he says on September 24 that he intends to consider the answers they have given. He has studied them, but he has not had time in which to consider them. However, he intends to do that very soon.

Well, Mr. Chairman, this is a sorry mess the minister has got himself into. I say to him and to the government: If you don't want to help the Indian people, don't help them; but for God's sake do not hold out hope to the Indians and get them all stirred up by telling them that soon the terrible problems which have been theirs are to be solved—that soon, as the previous minister said, in effect, they would walk into the promised world of the white man. If you do not want to do anything, don't do it. But do not give us this nonsense which extends over 9,000 pages of *Hansard*. We asked the government to do this from the very beginning, but I ask the government not to lie to the Indian people. If it is not ready, then let the government tell us. Let them say to the Indian people: "We are sorry but this is a complicated matter and we are unable to make a decision on it now. We are sorry for you Indian people because we are going to do nothing for you". Every hon. member of this house is affected by this kind of delay, not just those of us with Indian people in our constituencies. Everyone in the house must take collective responsibility if a small group of people are betrayed.

Before the minister's estimates pass we on this side of the house want an answer to two questions. The first question is: "When is the government going to bring in the legislation on the Indian claims commission?

That should not be a difficult question to answer. The second question is: Will the government consider setting up some vehicle, say a committee hearing, where the Indian people can then take a look at this legislation? Because what I am afraid of is that this Indian claims commission, like so many other matters, is good for election after election. I can see the government bringing in the revised edition of the Indian claims commission legislation and the minister saying that, first of all, he must consult with the Indians and then consult with them some more, and then ask for advice, then for more time to study what they have said, and then he will want to consider that, and so on—just as he did the first time. Surely the questions I have put are not unreasonable ones.

I want to tell the minister why this is so important to the Indian people who happen to live in my part of the country. It may come as a surprise to some Canadians to know that there are no Indian reservations either in the Yukon or the Northwest Territories. There is good reason for this. Unfortunately, the reason, as I will unfold it, will be seen to be another chronicle of betrayal. The Indian people in the Yukon territory have had land, and I quote, "set aside" for them by order in council. Here again the history of what has happened to these parcels of land which were to be set aside is not good. Every time a government agency needed some of this land the order in council was merely revised. Surely the best example the committee has of this is when the government needed more land for the airport at Teslin in the Yukon. They simply took it away from property which was supposedly set aside for the Indians.

In the Northwest Territories even this much has not been done. Earlier I referred to the treaties signed with the Indian people in the north and which have never been lived up to. I have them here and they are interesting documents. We think the United States robbed the Indians when they bought Manhattan island, but surely there was no greater robbery than that which occurred in the signing of treaties Nos. 8 and 11. Treaty No. 8 took away nearly all of northern Alberta and part of the Northwest Territories from the Indians and gave it to the crown. That is an area of some 480,000 square miles and it was purchased in 1899 for $26,974 cash. Those who think the white man was not always crooked in his dealings with the Indians should read this treaty; they would be fascinated to learn of some of the other things

we gave to the Indians to make sure they had a good deal. For example each chief, after the signing of the treaty, was to receive a silver medal and a suitable flag—which is probably of more value than any of us thought was the case in those days. The following year and every third year thereafter each chief and head man was to receive a suitable suit of clothing. Here are some more of these "goodies":

—Her Majesty agrees to supply each chief of a band...for the use of that band 10 axes, five handsaws, five augers, one grindstone and the necessary files and whetstones.

That plus $26,000 cash, and you buy yourself 480,000 square miles of Alberta and the Northwest Territories.

I want to digress for a moment to mention another interesting matter. The other day the minister of northern affairs and some other hon. members of the house, including myself, were present when the Great Slave lake railway crossed the 60th parallel of latitude. That was an occasion for the great speech making, handshaking and self-congratulation amongst all of us because we had all done a brilliant job of driving the last spike. On going through these old treaties I noticed this remark made by the chief of the Chipewyan Indians at Fort Chipewyan, Alberta in 1899. This was what the commissioners said in the treaty:

We should add that the chief of the Chipewyans of Fort Chipewyan asked that the government should undertake to have a railway built into the country, as the cost of goods which the Indians require would be thereby cheapened and the prosperity of the country enhanced.

So really this suggestion came in 1899 from this old Indian chief. This shows in terms of the Great Slave lake railway that the Indians thought of this in 1899, the Liberals promised it in 1936 and the Conservatives built it in 1961. At any rate my point is that these treaties were signed with the Indian people of Canada's northland and were not lived up to, and for this reason they must have some sort of court or commission to which they can go.

The Indian people were promised basically two things. They were promised that their rights to hunt, trap and fish would not be curtailed; yet we all know that this is happening every day, not only in the north but all over Canada. The other thing they were promised—and this is where this point about there being no reservations comes in—was one square mile of land for every five Indian people who signed the treaty. This was true in the treaty signed in 1899 and it was true in the second treaty signed in 1922 with the rest of the Indian people of the Northwest Territories, but this land in fact was never set aside for the Indian people; and so the two things promised them in return for peacefully allowing the white man into their country were never advanced to them. Because of that there are no reservations. No one in the Northwest Territories, to my knowledge, wants the government to set up Indian reservations at this stage, but everyone wants the government to live up to its obligations, to renegotiate the treaties and to make good the commitments undertaken in 1899 and 1922.

In closing my remarks, Mr. Chairman, I would suggest to the minister that in addition to getting on with this legislation he has been dangling before us for so many months he give consideration to setting up a national advisory Indian council, much in the same way the Canadian Broadcasting Corporation has a national religious advisory council. More and more is required a vehicle for consultation between the government and the Indian people. I suggest that in view of the tremendous changes being made almost daily in the programs which the minister has under his department this would be invaluable. Indian peoples could be represented on it and we could consult them in a meaningful way, and thus overcome the basic obstacle of mistrust which I suggest to the minister is coming between himself and the efficient administration of his department.

In resuming my place, Mr. Chairman, I should like to terminate my remarks with a word of gratitude on behalf of the members of this house for the fine work that has been done by some of the old hands of the Indian affairs branch who have retired in the last several years. Most of us knew these men who served many years in that branch during a difficult period of administration in Canada, and who guided the Indian people as far as the position they now occupy.

There is now a new look in the Indian affairs branch, which is long overdue. The staff is new and there is a new spirit, and all of us welcome these changes. We are happy to hear of the creation of an assistant deputy minister's post for the former director of the Indian affairs branch, Mr. Battle. We are happy not only because he personally has been appointed to this post, but because this appointment gives further recognition to the important part the Indian affairs branch plays in the work of this department.

Thank you, Mr. Chairman.

[*Translation*]

Mr. Gauthier: Mr. Chairman, at this stage of the consideration of the estimates of the Indian affairs, I want to address a few remarks to the Minister of Citizenship and Immigration (Mr. Tremblay) about the small reservation of Pointe Bleue located in my constituency. Further to an article published in *L'Étoile du Lac*, a district newspaper, on September 17 last, entitled "On the war path", I have advised the minister of the small revolt that is coming on within the Pointe Bleue reservation in connection with certain methods of a certain company.

I put several questions to the minister and I told him that I believed that he was completely unaware of certain things that were going on in the Pointe Bleue reservation, in connection with the Hudson's Bay Company.

I will not read the letter as I have only ten minutes at my disposal, but further to my letter, the minister answered that he had sent investigators. And it is on this point that I should like to call the minister's attention. The investigators he has sent are precisely those we did not want. In fact, it is the same as if we were asking for an inquiry into a theft and the thieves were sent in to investigate. That is the situation I want to put before the minister. I have no grudge whatsoever against him. I merely want to throw some light on the matter and help him do justice to the Indians.

Therefore we shall examine in a general manner what is happening today on the Pointe Bleue reservation, and particularly the causes of this unrest. I will even suggest some solutions to this problem. As I said a moment ago, I wish to warn the minister before this report is received.

As I requested in my letter, the minister must study the role which was played and which is still being played by the Hudson's Bay Company in the Pointe Bleue reservation. This English firm is the only one established on the reservation. It is not there for the sake of the Indians; it is there to do business, and probably very profitable business because it has not been facing any competition for three quarters of a century. If the minister would only visit that reservation, he would see and hear all kinds of things.

For instance, it is said that during the years the company controlled the economy, not a single Indian dared stand up against it. Indeed, none of them could afford to.

You hear about winters during which the only rations issued to the Indians by the company were flour, salted pork, beans, coarse salt, third quality molasses and oatmeal. In fact, whenever a person needed a little bit of cereal, powdered milk or something else for his children, he had to trade his rations of oatmeal and salted pork with someone else to get it. It is said that pregnant women had to pass whole winters eating only oatmeal, three times a day. Perhaps it would have been too costly for the company to feed those people somewhat like human beings.

In addition to supplying them third rate goods, it bought Indian products at ridiculous prices and paid the Indians in oatmeal and flour. This is the kind of stories one hears when one takes the trouble to mix with those people.

In the last few years a number of Indians, whose patience was at an end, risked all their savings in an attempt to provide better service to their fellow citizens. From that time a few little shops were opened and sold all the goods found in ordinary groceries. The Hudson's Bay Company was not long in retorting. From that day it sold all the goods it had never dared to put on sale and, moreover, it cut its prices to such an extent that they were even lower than those asked by Indian merchants. The company even went so far as to organize a delivery system.

Today the Indians are capable of having a market of their own and if we encourage the Indian merchants by offering them the same privileges as those which were tacitly or effectively granted the Hudson's Bay Company, I am almost certain that it will be to the advantage of the entire tribe.

At the present time the Indian merchants are unable to deal with any banking or financial institution. Hence the unequal struggle against a company that has all the financial powers on its side.

I am therefore of the opinion that if the minister, in conjunction with the Minister of Finance (Mr. Gordon), were to set up a federal finance organization serving only the Indians but having some contact outside the reservation, he would put the struggle on a more equal footing. The lack of such an organization seems to enable the company to keep the population of the reserve under its financial domination.

I am told that these days in order to subsist, the Indian must have a charge account with the Hudson's Bay Company. If he wants to work for an engineer or a prospector, he must report to the company's office and sign a slip authorizing the company's

employees to get his pay and administer it as they see fit.

It seems that the company carries things even further, going so far as to collect almost all allowance cheques directly from the post office. In my opinion, this way of doing things is quite unfair to the Indians.

For these reasons and many others I do not have the time to mention at this point, some Indians assisted by a large number of their fellow members anxious to free themselves of foreign influence, have launched a market in order to protect the Indians. In 1961, when the band council renewed for ten years the company's lease, it did so on one condition, which I want to mention: that the company could not develop its trade. This is, Mr. Chairman, what the Indian merchants want, supported unanimously by the band council. Nevertheless after three years the company wants to develop its trade.

The minister was told that there was a lease but without any mention that this lease included the specific condition which I just mentioned. This is the main reason that prompts me to call these facts to the attention of the minister.

When I am told that arrangements have been made for a meeting between representatives of the Hudson's Bay Company and the Indian people, I say that the meeting took place with representatives of the Hudson's Bay Company but not with those of the Indian merchants on the reservation. There seems to have been a secret meeting of some members of the band council, even using the secretary of the reservation agent instead of the official secretary of the band council.

The Indian merchants were ignored and the representatives of the Quebec office and of the agency had a private meeting with the company.

I think that the Indians are living in a tragic period and that the minister must make the necessary clean up. People always took pleasure in hanging fear, like a sword of Damocles, over the head of the Indian authorities, through political, monetary or social threats, for the sole purpose of making Indian authorities renounce their first decisions, in order to show that the Indians cannot administer themselves.

The time has come to end such a ridiculous situation and to guarantee to the Indians their commercial freedom, their freedom of action within the limits of their reservation.

I am sure that a serious investigation carried out by officials other than those of the Quebec office or the reservation agency, will show that the Indians can administer themselves and that if the minister will give them the necessary assistance, they could almost be self-sufficient instead of being citizens that the government pays for doing nothing.

At this time I recall an observation made to me by a good Indian to whom I pointed out that he received a social allowance. He answered: "Well yes, but what is most demoralizing is waiting for the meagre allowance without having the right to work."

What surprised me, Mr. Chairman, was to note that the small pension of $15 which an Indian pensioner receives must be reduced if he works one, two or three days.

If the minister were to get together with the Minister of Forestry (Mr. Sauvé), he would see, I think, that he has a magnificent opportunity to apply usefully the ARDA program, and thus to foster the agricultural rehabilitation of the whole reserve.

Substantial loans might be granted to the band council to develop the tourist industry at Pointe Bleue.

We spend more than $30 million which produces no result, while every year thousands of tourists must turn back because there are practically no accommodations on the reservation. Yet the most wonderful tourist attraction in Lake St. John is at Pointe Bleue. I am positive that if the government wanted to make an effort and spend a little of that money to improve that area, tremendous results would ensue; besides creating many jobs for the Indians of the reservation, it would enable them to promote their handicraft with the tourists who would certainly be attracted by those improvements. This would also help to make the Indian proud again, for he, too, would like to be able to say that he is an asset in the Canadian economy; in this way, he would be able to live a happier life, because he would have a greater awareness of the importance of his actions and his contribution within the reservation.

Pointe Bleue has all that is needed to make it a tourist attraction. The only condition is to give the required opportunities and encouragement to its people. The government has the duty to take action before the war axe is dug up, because wars were always brought on by injustice piling up.

[*Text*]

Mr. Howard: Mr. Chairman, I have listened with a great deal of interest, as I am sure other members did, to the remarks of the

hon. member who spoke on behalf of the Conservative party, and while listening to him I came to the conclusion that the present minister is perhaps at least as bad as if not worse than Hon. Ellen Fairclough, when she held that particular office.

Mr. Churchill: She is not here. Don't attack people not here.

Mr. Howard: I am not mentioning that because she is not here. It is not my fault she is not here; someone else had a hand in that. In any event, the former prime minister decided she was relatively useless in Indian Affairs and moved her from that post to something else before the election took place. I only make that comment in reply to that just made by the hon. member for Winnipeg South Centre in a low voice.

Mr. Churchill: I will make it louder then. It is a scurrilous remark.

An hon. Member: Get up and say that.

Mr. Churchill: I will get up and say it. On a point of order, Mr. Chairman, I think it is very much out of order for a member of this house to attack a former minister of the crown who is not present here, and I object to that procedure.

Mr. Howard: It is unfortunate that the member who just raised that point of order was not the minister of citizenship and immigration himself, because one could perhaps make a comment about his activities in the cabinet. I have no intention of becoming embroiled in a crossfire with him in particular.

Mr. Nielsen: Why did you start it?

Mr. Howard: It will be recalled that last year when the present Minister of Justice held the portfolio of citizenship and immigration the house was in a mood to expedite the passage of the estimates because they had been held over for some period of time and there was a desire to complete the business before parliament in order to get back on a more regular basis in the consideration of parliamentary matters and government expenditures. Accordingly, many hon. members refrained from making suggestions and criticisms with regard to the operation of the Indian affairs branch, and accepted the bland assurances of the former minister that something worth while was going to be done. So far, however, we have not seen any great example of the desire and the speed with which Indian affairs should be tackled.

I have been asked by a number of bands at home, and there are a number from which to choose, to issue an invitation to the minister to visit any one of them. I have been asked to invite him to bring his wife with him. I understand he is the proud father of four children and he is invited to bring them as well and to come and live for a month or a couple of months if he so desires on any reserve he chooses. The only requirement is that he and his family bring their necessary clothing, their toilet articles and their bedding. Everything else will be supplied including a house. The only other proviso is that he bring no money but that he and his family live on the reserve for the month or two months or as long as he desires on the pittance that the Indian affairs branch dishes out as welfare or relief money. If the minister qualified for the relief money the Indian affairs branch provides he would receive, taking the standard rate, $85 a month, I believe, for himself, his wife and four children.

This invitation is issued in all sincerity so that the minister may realize at first hand just how difficult it is to attempt to feed a wife and family of four on $85 a month, which is the standard rate he would receive from the Indian affairs branch. The bands wanted me to extend the invitation in an anonymous way at the moment, but if the minister would care to accept it I would gladly communicate with the band involved and arrangements can be worked out for the minister to go there. He can even pick the time of the year. It is more difficult to live in the winter months than in the summer. He might want to go there in the summer or spring, but he can go in the winter or at any time he likes provided he tries to live on the relief payment on which his own department asks the Indian people to live.

In a preliminary way I should like to take a few moments to point out what I think has been an almost despicable approach to our native Indian people on the part of Liberal governments, not the present government particularly but preceding Liberal administrations dating back to 1910, in order to show the pattern or attitude that has prevailed in the last 50 years at least with respect to Indian affairs in Canada. I use as a guide to this bit of historical information a brochure published by the Liberal party itself, because I do not want to be unkind and say something that is not truthful. Here is a publication by the Liberal party with a picture of the present Prime Minister on it. He is described as the leader of the Liberal party. Unfortunately there is no date on this, but I obtained it dur-

ing the 1962 election campaign and presumably this is the time to which this publication applied. The statements made in here were applicable then and are applicable now. This publication deals to an extent with the land question in British Columbia, a subject which would be dealt with extensively by any Indian claims commission that might be established.

I quote from this publication:

At Prince Rupert, in 1910, Sir Wilfrid—

I suppose the reference is to Sir Wilfrid Laurier.

—promised that the Indian land question would be taken to the privy council.

He made this promise. Then reference is made in the publication to the fact that the solution in 1963 lies in a totally different course of action. In effect, they are saying that Sir Wilfrid Laurier promised a solution in 1910, but by 1963 the Liberals had not gotten around to living up to that promise or even attempting to do so. Now they were going to take the course of appointing this Indian claims commission as soon as possible. As has been pointed out, "as soon as possible", seems to be a rather indefinite time and may stretch into years.

Another portion of this brochure indicates the manner in which the Liberal party admitted its own delinquency in dealing with this question. From another part of the publication, I read this:

To assure the objectivity which Indians of Canada have the right to expect after years of procrastination—

Then, they go on to explain what the commissioners will do. Here is an admission of their own guilt, of their procrastination. They say it is Liberal policy that Canada's native Indians must achieve full equality, just as if this were a hope that had not been expressed before. They say that the Liberals must erase the blot of second and third class citizenship from these people. I do not want to read extensively from the pamphlet but there are many more quotations I could give. There is this admission of guilt on the part of the Liberal party, that year after year it has engaged in procrastination, delay, broken promises and virtual discrimination toward the native Indian people with complete disregard for their rights, their welfare or their fundamental freedoms. One would hope that in this enlightened day perhaps we could get a government in office that would take a little different attitude toward our Indian people.

My own point of view, without any reflection upon the individuals who are now in the Indian affairs branch or who may have been in positions of authority in that branch, is that it is clearly impossible for the Indian affairs branch to be anything other than an administrative organ to administer the Indian Act. It is a filler out of forms, a filer of papers, a keeper of statistics; but when it comes to some serious thought in depth or a research approach on a sociological basis to Indian affairs, unfortunately the Indian affairs branch, because of its structure, is not able to engage in that sort of activity. It is regrettable but it is a fact. It is because of this, and not because of anybody in the branch, that the greatest obstacle to progress by the native Indian people in Canada is the Indian affairs branch itself.

So long as the Indian affairs branch remains as largely an administrative body, so long as its sole function is to administer a piece of legislation conceived by political figures, it will remain as a barrier in the way of progress by our native Indian people. I should like to see the time come, and there are countless hundreds of native people in Canada who would like to see the time come, when there is no Indian affairs branch. I should like to see the time when there is not any longer an Indian Act on the statute books of Canada. This act, by its very nature, is discriminatory because it applies to a particular group of people. The basis of its application is their racial origin. As I have said on many occasions, Mr. Chairman, if we had a French act in Canada and the provisions of that act applied only to people of French origin there would be a tendency for people, because of this fact, to look at French people and say that there must be something a little bit queer about them. This is what many people do who do not understand the situation, who do not take the time to investigate it. Many people who are not of Indian origin and who do not know anything about Indian affairs, tend to look at the Indian people and say there must be something queer about them because there is a special law designed solely for them. The native people do not like being singled out for this special consideration. They would like to see the time come when there is no longer an Indian Act.

Incidentally, while I am on this subject of the branch, I may say that a number of officials who head up certain divisions within the Indian affairs branch are referred to as chiefs of their divisions. The Indian people

rather resent this designation of chief, especially as applied to a non-Indian in the Indian affairs branch. The minister could take an immediate step in the direction of allaying some of the antagonistic feeling of the Indian people by calling the heads of these branches assistant directors or something of that nature rather than chiefs. This is the wrong word by which to designate these people.

The hon. member for Northwest Territories indicated that the first mention in this house of an Indian claims commission was in the speech from the throne in 1962. I think he is a bit in error in that respect. Perhaps he was just too polite to the government to draw their attention to it. On February 9, 1948, unanimously, without any hesitation on the part of any of the members, the joint Senate and House of Commons committee on Indian affairs recommended that a commission in the nature of a claims commission be set up with the least possible delay. This was 16 years ago and a Liberal government was in office at that time, incidentally. This idea dates back beyond 1962, it dates back many years. I merely read that extract from the committee report to buttress the contention of the hon. member for Northwest Territories and others that the sole accomplishment by ministers and the Indian affairs branch under successive governments, was this record of delay, procrastination, broken promises and speaking with forked tongues, as the expression goes.

It is a sad and sorry indictment I have to make, not of this minister but of all people who have held that position in the past, and not of this government but of all governments that have held office in Canada in the past, because the record is identical. It is a black one, regardless of the government that has been in office, apart from the odd, occasional, little foray of a study into Indian affairs, such as the one held in 1948 and in 1959, 1960 and 1961 by committees which made recommendations; and with respect to the one in 1961 we have heard nothing so far.

Maybe what I am doing here is making exactly the same speech I have made on occasions in the past, and if I am guilty of that then I accept the guilt; but I know of no other way to approach this question. We can talk about day to day difficulties. We can raise items of interest peculiar to our own constituencies. We can deal with questions related to individual bands, and raise matters with which individual Indians have difficulties and problems, but this is only nibbling away at the periphery of the difficulties because these are but isolated instances.

The record of successive governments is black and sterile. It is disgraceful. Generally speaking, Indian people by and large have been trusting over the years. If government has told them something they, perhaps with some naïveté, have believed government. If the Indian agent has come and told them something is going to happen they have believed the Indian agent. But their patience and trust are wearing pretty thin. We should no longer permit ourselves the luxury of an annual invasion into the Indian affairs branch in parliament in this way, as we come to question the estimates of that particular branch. This is not good enough.

In the future we cannot permit ourselves to allow a situation to exist which would require the kind of speech the hon. member for Northwest Territories made today, and to have to say the kind of things which my own feelings and conscience force me to say. This is no longer good enough. There is a great and growing resentment among Indian people all across Canada, in all Indian villages and reserves. There is a growing resentment among native people who, for a variety of reasons, left the reserves and went to live in urbanized and semi-urbanized areas—incidentally living on the fringe of them because that is the only place they are accepted.

There is much talk among many people about digging up the tomahawk they buried many years ago, because they have come to believe that the trust and faith they placed in the words of government are not worth placing any longer. The older people still continue to fight as they can. In their council meetings they still continue to caution the younger generation about doing things in the normal way. They still continue to advise the younger generation that they should air their complaints and grievances in meetings of council with the Indian agent, that they should present their demands and grievances by way of resolutions, passed and channelled through the Indian agent, the commissioners and the directors up some place to the top, and eventually hope some communication will filter back to the band so that they will know what happened to their grievances.

But the younger people have had a taste of the non-Indian society. Those in their teens and twenties have had better opportunities for education than their parents, and having found it necessary to move away from the

reserve in order to work, are finding and searching out the ways of the non-Indian and are discovering from a little taste of this type of society of the non-Indian that they want more of it, and they are wondering why it is denied them.

They will not be content with the mere passing of resolutions in council meetings. They will not be content with sitting around a council fire discussing things among themselves and with their elders and advisers. They will not be content with listening to being put off by the Indian agent. They will not be content with having their grievances lost in the mass of red tape in the Indian affairs branch.

They are a rising group of people. Their population is expanding tremendously. They are a volatile group of people when they get going. Mr. Minister, you should appreciate this, coming from the province you do and having the racial origin you have. You should appreciate that what the native Indian people are seeking is almost identical with what the French people are seeking. You, with your background and your understanding of your own culture, should appreciate what this means and should be able to move with great speed to cope with the Indian's problem.

I do not envisage—at least I hope to heaven it never comes to this—that we will have an uprising of our native people, such as has been the case in other countries. But mark my words, it could happen, and the spark which will set it off will be a continuation of the practice of the past. This will be the thing which will allow that feeling of resentment to burst into flame and perhaps consume what sociological relations we have with our native people.

Please, Mr. Minister, do not take these words personally as applying to you. Do not take the words that are directed by Indian bands as applying to your government exclusively. To the members of the Indian affairs branch I say, do not take these words as applying individually and personally to you. Do not take the resentment of native people as being aimed in your direction. These feelings of resentment are directed at our society, at successive governments, and they are the outgrowth of many years of delay, of lies, of distortions of all sorts, and of the most degrading activities people can engage in. Fairly shortly we will be facing the time of truth.

There are many other things I wish to go into detail on, when we get further into the estimates. At this stage I can only echo the utterances of the older people of the villages I know personally, and say they are praying as they never prayed before that something worth while will be done.

Mr. Nielsen: I shall not take up too much time of the committee; but I wish to deal with the announcement made by the minister in replying to questions I put to him on September 30 last, as recorded at pages 8586, 8587 and 8588 of *Hansard* for that day. The minister made an announcement on that occasion with respect to the negotiations which are now being conducted between officials on behalf of the federal government and officials on behalf of the provinces, to transfer jurisdiction of educational and social welfare matters to the provinces, and I use that word "jurisdiction" advisedly, even though a rather hairy distinction is made by the minister and others opposite between it and the word "responsibility."

Referring to the forthcoming federal-provincial conference the minister said, as recorded at page 8586 of *Hansard*:

> As it so happens, we shall be discussing measures that would enable the provinces to extend a number of provincial services to the Indians, on condition the federal government grant compensation.

Mr. Badanai: Would the hon. member repeat the date?

Mr. Nielsen: The date is September 30, and the page is 8586. The committee will remember the discussions which took place concerning the proposals of the federal government to transfer jurisdiction over the Eskimo people of Quebec to the government of that province. The minister knows that the Eskimo people are Indians by virtue of a supreme court decision of 1939, and for purposes of the Indian Act they come under federal jurisdiction. I suggest to the minister that regardless of his own personal assessment of federal legislation and its constitutionality in this regard, any transfer of jurisdiction over the Indian or Eskimo people from the federal government to any other authority is ultra vires under the terms of section 91(24) of the British North America Act which places squarely upon the shoulders of the federal government responsibility or jurisdiction in this regard. Any exercise of a purported authority to transfer control, jurisdiction or responsibility, whatever the minister chooses to call it, over the Indian or the Eskimo people of Canada to a provincial authority is an abrogation of the power expressly given to the parliament of Canada, as opposed to the executive, by section 91(28) of the British North America Act.

It is said in answer to this that the Indian Act gives sufficient power to the executive to transfer control and responsibility to the provinces by process of agreement. I suggest to the minister that he re-examine the legal assessment he may have placed on this situation in the light of what I have to say. If the Indian Act does purport to give this power to the executive, then to that extent the Indian Act is ultra vires and in conflict with section 91(24) of the British North America Act which places such power in the hands of the parliament of Canada. Unless and until section 91(24) is amended, the purported exercise of that power by the executive is wrong and ultra vires.

What is really happening here, one may conjecture, is that what the resources minister of Quebec has failed to get by the front door he is now getting by the back door. As a result of the pressure put on the government, and of the publicity given at the time the subject was raised, he did not succeed in getting control over the education and social welfare of the Eskimo population of Quebec as he wished to do. This is just another way of appeasing Mr. Lévesque and his friends. There is no difference between that case and the considerations raised by the transfer of jurisdiction or responsibility with respect to the Indian people of that province. An attempt has been made to draw a nice distinction between those terms by the minister and by others on the government benches. But the distinction is not valid, because if responsibility were to be transferred in any other way than by an amendment to the British North America Act, which would be constitutionally proper, it would necessarily include the transfer of jurisdiction over the people concerned and no amount of nice definitions can alter that plain fact.

The Indian people of Canada were guaranteed as a minority certain fundamental rights by the treaty of Paris and the royal proclamation made thereunder in 1763. Those rights are perpetuated by the inclusion in the British North America Act of section 91(24), any any attempt to abrogate them would be a travesty of justice. I believe the minister and his advisers should take a hard second look at this whole question.

Regardless of the intention of the federal government with respect to this matter the assurances which have been given to the house by the Prime Minister and by the minister himself are insufficient. The minister and the Prime Minister grandly say that before any decision is taken the Indian people themselves—and I presume he intends also to include the Eskimo people—will be consulted. In all fairness to those who are most concerned, the consultation which is required here is consultation in advance, because the Indian people themselves may have some ideas, and extremely valid ideas, as to whether or not they wish jurisdiction to be transferred at all. They should be consulted in advance, not bandied about like chattels, to recall a phrase which was used by one speaker on this side of the house.

I do not know whether I am correctly interpreting the remarks made by the minister as reported on page 8586 of *Hansard* for September 30 but I was surprised to see this statement with respect to consultation before transfer:

> I can assure the two hon. members and the entire house that the federal government will not make any major decision during this parliament before consulting the Indians themselves, as they are the first concerned in all these measures and, all the more so, the provincial authorities.

I say this to the minister that it should be "all the more so the Indian people" in order of importance, surely. The consultations to be held should be consultations with the people directly concerned, that is with the Indian people. Then once the minister has established their views and conveyed them to his colleagues in the cabinet—and the Indians may reject outright any proposal for transfer, in which case that should be the end of the matter—once their views have been ascertained, that is the time to evolve a policy which might be discussed with provincial authorities.

An hon. Member: Five o'clock.

Mr. Nielsen: I did not say it.

Resolutions adopted in committee of supply this day reported and concurred in.

Mr. Badanai: We have made good progress with the estimates of the Department of Citizenship and Immigration this afternoon. There are only four items remaining and I wonder whether unanimous consent might be obtained in order that we could proceed to finish our examination of the estimates.

Mr. Deputy Speaker: Does the house give consent to the suspension of private members' hour?

Mr. Howard: No, I do not think the house does, Mr. Speaker.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the considera-

tion of private members' business as listed on today's order paper, namely public bills, private bills.

RAILWAY ACT

PROVISION FOR MORATORIUM ON ABANDONMENT

Mr. R. R. Southam (Moose Mountain) moved the second reading of Bill No. C-57, to amend the Railway Act (abandonment moratorium).

He said: Mr. Speaker, my first words on rising this afternoon to speak to the second reading of Bill No. C-57 is to express both on behalf of myself and I am sure on behalf of other hon. members our regret that the Minister of Transport (Mr. Pickersgill) is ill and confined to hospital. I am sure we all wish him a speedy recovery and look forward to having him back in the house at an early date. It was my hope he would be here this afternoon to listen to the principle which I will espouse in speaking to this bill. I might say that I first introduced it to the house on June 7, 1963 as Bill No. C-70, but it was so far down the order paper that it did not come up for second reading last year. Consequently I had the pleasure of reintroducing it in the house this year as Bill No. C-57 and it was read for the first time on February 20, 1964.

I should like to give a brief explanation to the house of the bill, and I think I could do no better than to refer to my previous remarks when introducing the bill last year, which remarks are to be found at page 771 of *Hansard* for Friday, June 7, 1963. At that time I said:

> Mr. Speaker, the magnitude of the problem of railway abandonment is becoming apparent from the large mass of applications being directed to the board of transport commissioners based on recommendations of the MacPherson royal commission on transportation. These abandonments are estimated to affect between 4,300 and 8,600 miles of branch lines. About 4,000 to 5,000 miles of this total is in the three prairie provinces, and 2,000 miles is in Saskatchewan.
>
> The purpose of this bill is to declare a moratorium of five years on all applications respecting rail abandonment accepted and granted by the board of transport commissioners so that private persons, rural and urban municipalities, primary producers, industries, businesses, elevator companies, wheat pools, labour organizations, the motor transport and pipe line industries and all others which may be adversely affected may plan well in advance before the abandonment actually takes place, in this way alleviating as far as possible the social and economic upheaval that may occur in many communities, especially those in rural areas.

At that time I said I hoped the bill would receive widespread support not only in the house but across Canada, and I might say this was the reaction it received. I had correspondence coming in from a wide area which suggested that the principle involved in the bill was receiving wide support and sympathy.

I might also say that my reason for introducing the bill was because of an experience I had in the matter of the Reston-Wolseley rail abandonment which came before the board of transport commissioners in 1959. This Reston-Wolseley line commenced in the constituency of Brandon-Souris, went across my riding of Moose Mountain and into the riding of Qu'Appelle, a distance of 122 miles. I am sure hon. members realize that this abandonment was quite a shock to the people in that area, as it affected quite a large community. At that time I debated the abandonment in this house and brought forward facts and figures, as well as appearing before the board of transport commissioners to make the plea that the abandonment should not take place until the MacPherson royal commission report was brought in and proper legislation enacted. However the board of transport commissioners in their wisdom saw fit to concur in the abandonment of this line.

In this particular case, although the abandonment was very serious to the people concerned, it was not as serious as might have been the case owing to the fact that the Canadian National line ran adjacent, almost parallel a short distance away, to the Reston-Wolseley line for quite a large extent of its coverage. Therefore the shock was not as severe as it otherwise might have been. Nevertheless it was still bad enough to create a great deal of concern among the various people affected, as I outlined in my explanation when I introduced my previous bill, and as a result I felt that we as members of parliament should take a serious look at the present Railway Act.

I should like at this point to read for the benefit of the house the explanation of this present bill. It is to amend section 168 of the Railway Act by adding thereto the following subsection:

> (2) Every approval when given by the board stands appealed to the governor in council for a time expiring five years from the day approval is given or until an order of the governor in council is sooner made to confirm, vary or rescind such approval.

The explanatory notes continue as follows:

> The section was first enacted...by amendment to the act in 1932-33, c. 47, s.1. Prior to that year

railway companies could under common law, unless there were a contractual or statutory duty to continue operations, abandon the operation of the whole or any part of their lines without the approval of the board. Between 1922 and 1933 the board of transport commissioners, in a series of decisions, consistently upheld this common law right of the railways. In 1933 parliament, while recognizing this common law right of the railways, restricted the liberty of action of the companies in exercising this right by providing the companies must have the approval of the board. The board takes into consideration the interests of the company and the public. The section was a remedy to one of the economic pressures of the depression. It was not conceived as a remedy for the pressures that urge mass abandonment today. The board has held that the section gives no right to compensation by industries, primary producers, or others who are seriously affected by the deprivation of transport, or to railway workers who suffer financial loss by change of residence or earlier retirement.

Therefore, Mr. Speaker, I feel in view of the fact that there is before the house today Bill No. C-120 this proposed amendment to the Railway Act is very timely.

One of the recourses which we had to this particular act as it now applies was section 53, and I want to refer to that section. It reads as follows:

The governor in council may at any time, in his discretion, either upon petition of any party, person or company interested, or of his own motion, and without any petition or application, vary or rescind any order, decision, rule or regulation of the board, whether such order or decision is made *inter partes* or otherwise, and whether such regulation is general or limited in its scope and application; and any order that the governor in council may make with respect thereto is binding upon the board and upon all parties.

In 1961 the residents affected by the proposed abandonment of the Reston-Wolseley line made an application to the governor in council for alleviation or assistance in respect of that abandonment. Their application was given consideration, and the abandonment was held in abeyance for 30 days, but it finally went through.

There is one other alternative, although I do not think it is of much benefit to the people involved. Individuals can ask for the retention of a branch line after an application has been made for abandonment, provided they can find a legal or technical reason. These individuals can go to the Supreme Court of Canada for relief, but I do not think that actually happens very often. As a consequence, this alternative does not provide much assistance to people affected by rail line abandonments.

My bill asking for this rail line abandonment moratorium should be considered very seriously by the government. The knowledge that this principle was being considered seriously by the government would lessen the concern of thousands of people across Canada who are today faced with this abandonment situation. I think there will still be grounds for concern even after Bill No. C-120 has been discussed, considered, perhaps amended and passed. The government should give serious consideration to the suggestion that the principles contained in my bill should be included in the legislative measures proposed by the government in respect of rationalization or rail line abandonment.

Many other things are of concern to the people of Canada in respect of rail line abandonment. Some of them are as follows; the abandonment of approximately 4,500 to 8,500 miles of line to which I referred a few moments ago, spiralling freight rate increases, heavy increases in the cost of marketing farm grain, captive freight rate areas, great lack of railway passenger service, widespread concern of railway workers, and social and economic upheaval of both urban and rural individuals living adjacent to proposed line abandonments.

In an attempt to substantiate my statements about this concern, Mr. Speaker, I should like to read from the front page of the *Western Producer* of October 1, 1964. The headline is "Legislation on branch line abandonment totally inadequate, says pool president". The reference in that headline is to the Saskatchewan wheat pool, which is the largest wheat pool handling grain in western Canada. Mr. Charles Gibbings, president of the Saskatchewan wheat pool, is one of the most qualified individuals in western Canada to speak in respect of the handling of grain and for those individuals who are seriously affected by proposed rail line abandonments. This article carries a subheading "West facing transportation crisis", and at page 38 reads as follows:

Applications to abandon branch lines totalling nearly 2,000 miles of track serving 260 communities are on file with the board of transport commissioners. The lines serve 547 country elevators with a total capacity of more than 39 million bushels. The branches are shown on the map above.

The abandonment applications have been filed by the railways over a period of two years. Consideration has been held up pending the introduction of legislation to deal with railway matters. Most of the applications on file were made by Canadian National in response to appeals from farm organizations and the government for information to show the scope of the branch line problem. Canadian Pacific has not committed itself on its overall plans, filing only on a piece-by-piece basis.

Legislation to deal with branch line abandonment was introduced by the government September 14 as part of a transportation policy arising from the report of the MacPherson commission. Saskatch-

ewan wheat pool and other farm organizations have expressed grave concern at terms of the bill dealing with branch lines. The pools have indicated intention to request far reaching amendments.

Mr. Speaker, I could say a good deal more in explanation of this bill but I think I have placed substantial information on the record this afternoon to give something more than a general outline. I am sure other hon. members wish to speak in support of this bill.

Before resuming my seat I would again urge the government to consider the principles of Bill C-57, so that when any application by either the C.N.R., the C.P.R. or any other railway company in Canada for the abandonment of a branch line has been approved, before such abandonment takes place there will be a five year moratorium allowing the urban and rural residents an opportunity to adjust their plans so as to avoid the severe impact of such an abandonment.

Thank you, Mr. Speaker.

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, it is not usual for a minister to speak during private members' hour, but I have taken the trouble to refresh my memory and I know it is quite proper to speak at this time. References to this effect will be found in paragraph 748 of Beauchesne's third edition, and on page 581 of Bourinot's. In any event, I felt I owed a duty to this house to bring to its attention during the consideration of this bill certain relevant matters.

The bill itself is an attempt by an hon. member to put forward a piece of legislation, by way of an amendment to the Railway Act, to assist mainly in protecting the interests of grain producers and other affected parties in western Canada, where a great many branch railway lines will possibly be the subject of applications for abandonment.

The hon. member I am sure will understand if I suggest that there should be a reservation as to the figures he used in respect of the mileage involved. Both this government and the previous one invited the railways to file applications for every proposed abandonment in the three prairie provinces. In light of the premise upon which those applications were made, it will be seen that the total proposed mileage subject to abandonment is an over-inflated figure.

Having expressed that reservation, Mr. Speaker, I must admit that the problem is a very real and serious one, and I understand and appreciate the concern of the residents in those affected areas. Without any desire to be technical, I respectfully suggest that the bill itself does not do what the hon. member wishes to be done, and if I may be allowed to develop my remarks along that line for a few moments I should like to do so.

The bill itself merely allows the appeal of every case to the governor in council, and I suggest that authority already exists. Anybody can appeal a case now to the governor in council under the existing legislation. The objection to this form of appeal under which every case would be automatically appealed is that it would change the whole scheme of the present board of transport commissioners legislation whereby they perform a quasi-judicial function, and make that function one performed subject to review in every instance by the governor in council and put an inordinate work load on the governor in council without the governor in council in turn developing adequate machinery to deal with those appeals. I would submit that the legislation before us is defective on that point.

What is needed to deal with this matter is dealt with rather fully in Bill No. C-120, the bill based on the MacPherson royal commission report and now before the house for consideration. Any changes that should be made in the part of that bill dealing with this subject should properly be made by way of amendment to that bill at the committee stage. There is nothing different in principle, so it would not involve rejection of the bill. If the point of argument made by the hon. member is valid, that would be a matter to be raised by way of amendment to the particular clauses on this subject when Bill No. C-120, an act to amend the Railway Act, is before the house.

As is obvious to hon. members, that bill is a very long and complicated one. I expect it will take some considerable examination at the committee stage and I would expect that there would be a good deal of discussion on this very vital point. But I should like to draw the attention of hon. members to the fact that clause 7 of that bill provides for adding a whole new part to the Railway Act, that new part to be headed "Abandonment of Lines or Operations, Uneconomic Branch Lines", which is the very subject matter causing concern. There is of course legislative provision for setting up a rationalization authority to deal with this whole question. That rationalization authority, after a line is found to be uneconomic and eligible for abandonment under the present concept of what makes a branch rail line eligible for

abandonment, is given jurisdiction to deal with the subject of abandonment, the time of abandonment and to make quite extensive orders.

I do not want to argue the proposition in detail here, but it will be seen that the rationalization authority has the kind of jurisdiction that permits it to look at the services in the whole region affected by the abandonment of a particular branch line or branch lines, and it has the kind of authority required to permit it to deal, not with each individual application by itself but with each application in relation to the effect on possible patronage that abandonment of railway service will have in the area, or in relation to other applications for abandonment, so that the whole result from the decisions made will be a rational system of railway lines. That is the approach to the problem.

The criteria established for the authority in reaching its conclusions will be found on page 7 of the bill in these words:

...the authority shall fix the earliest such date or dates consistent with the public interest and for that purpose shall have regard to all matters that appear to the authorities to be relevant including, without restricting the generality of the foregoing—

Hon. members will note the breadth of the criteria that the authority must apply in making a decision on what is consistent with the public interest.

—(a) the alternative transportation facilities available or likely to be available to the area served by the line;

(b) the period of time reasonably required for the purpose of adjusting any facilities, wholly or in part dependant on the services provided by the line, with the least disruption to the economy of the area served by such line;

(c) the probable effect on other lines or other carriers of the abandonment of the line or of the abandonment of any segments of the line at different dates;

(d) any rule prescribed by the authority for the orderly processing of applications for the abandonment of lines in the area served by the line or in surrounding areas;

(e) the feasibility of maintaining the line or any segment thereof as an operating line by changes in the method of operation;

(f) the feasibility of maintaining the line or any segment thereof as an operating line in the system of another rail carrier by the purchase or lease of the line to another railway company or otherwise; and

(g) the probable future transportation needs of the area served by the line.

In other words, the government legislation before the house for its consideration and decision does attempt to deal with this subject in a broad, comprehensive way by creating an authority having wide powers and having authority based on serving the public interest which is defined in the widest possible way in that bill. If the point raised by the hon. member is valid, and I acknowledge at once the concern of farmers and other people engaged in the whole economy of the three prairie provinces particularly, I am under obligation to point out to hon. members that the whole subject will be before them when the government legislation is being examined. While I cannot speak for the committee, which has jurisdiction over how it conducts its own business, I think it must be readily apparent to all hon. members, and a reasonable presumption, that the appropriate public bodies throughout these provinces will appear before the committee. I have reference to the elevator operators, the grain growers' organizations, the relevant farm organizations and representatives of the provincial governments as well, I presume. Therefore the whole subject will be examined rather thoroughly there.

If the provisions in the government's bill are inadequate, then any changes along the lines suggested would not be a matter for separate amendment of the Railway Act by way of a separate bill, but can only properly be a matter for amendment to the clauses on the subject, when those clauses are before the appropriate committee for consideration. I thought I ought to make that point and I thank hon. members for hearing me out on this matter.

Mr. Southam: Could I ask the minister a question?

Mr. McIlraith: Yes.

Mr. Southam: Did I understand the minister to say at the beginning of his remarks that the amendment in my bill was in effect already covered in the act, and that it did not have any purpose or significance, or something to that effect?

Mr. McIlraith: No. The point I made in the early part of my remarks was that parties concerned can appeal to the governor in council, but there is no automatic appeal. They are obligated to bring an appeal if they wish to do so. The effect of the hon. member's bill is to provide that every case will be automatically appealed to the governor in council.

Mr. Southam: I want to make that point clear. I realize what the situation is under the existing law, but my amendment suggests that if and when people affected by an aban-

donment make application to the board of transport commissioners under section 53, the board would automatically have to allow a five year moratorium before the abandonment became effective.

The whole principle of this bill is to hold this in abeyance in order to alleviate the shock. I went on to refer then to my experience in connection with the abandonment of the Reston-Wolseley line. As soon as the application was accepted by the board of transport commissioners under section 53, they wrapped up this line and there was an economic and social shock to the area. Under this amendment I am suggesting today, and which I think should get serious consideration from the government when they consider Bill No. C-120, after rationalization and everything else had been considered, when the abandonment of any piece of line had been finally considered there should be a five year moratorium applied to it. This is the new concept.

Mr. McIlraith: I hope my remarks were not capable of being interpreted to indicate any satisfaction with the present legislation under which the line to which the hon. member referred was abandoned in 1961. It is quite obvious that the whole purpose of the government's bill is to attempt to correct that situation. The hon. member's bill would impose a waiting period in every case. The public bill provides that such period as may be determined by the rationalization authority up to 15 years in each case, may be imposed. It is a matter for discussion in committee as to what is the precise term, and the best way of handling it.

Mr. R. W. Prittie (Burnaby-Richmond): I do not propose to discuss the merits of the bill. I am a member of the committee on railways, canals and telegraph lines, and as the minister indicated we will be considering this subject very shortly. I have not spoken to the sponsor of the bill, but I should like to suggest that the subject of this bill be referred to the committee. I will not make a motion since I have not consulted him, but if he agrees perhaps such a motion could be made.

Mr. R. N. Thompson (Red Deer): It is not my intention to speak at length in regard to this bill before us. I do think the suggestion which has been been made is a logical one, because this is a very important piece of legislation contained in Bill No. C-120. It would seem to me that whether or not the subject matter of the bill before us, strictly speaking, is included in Bill No. C-120, the proper place for consideration of this bill would be that committee, when the major piece of legislation is before it. I would concur in the suggestion made by the last speaker and suggest to the sponsor of the bill that it would appear to me the subject matter could very well be referred to the committee.

Mr. McIlraith: I wonder if the hon. member would permit a question? Does he realize that the subject matter is contained in the public Bill No. C-120, and that any change in that would be by way of amendment? I do not know how the committee would proceed if the subject matter of Bill No. C-57 were referred to it. I do not know if the hon. member is following the procedural point I am raising. If the subject matter is referred to the committee, presumably they have to take a decision on it. If they take a decision to reject it, then that concludes the matter. If they take a decision to accept it, that concludes the matter. Then they come along to the public bill and they may want to make certain amendments on the very point dealt with in Bill No. C-57. If they do, they are confronted with the previous decision they have taken. Anything that can be done by referring the subject matter of Bill No. C-57 to the committee could be done under the reference of the public bill to the committee.

Mr. Muir (Lisgar): Is the minister suggesting that if we decided to refer the subject matter to the committee, then automatically we cannot discuss the subject during the discussion of Bill No. C-120?

Mr. McIlraith: No, but the committee would have to take a decision and report to the house on any reference of Bill No. C-57. I think anything you can do, if I understand the hon. gentleman correctly, by referring Bill No. C-57 to the committee can be done by way of amendment when Bill No. C-120 is before the committee. If you refer Bill No. C-57 to the committee, the committee has to take a decision and report back to the house, and then you get into quite a procedural jam, which I am quite sure is not the hon. member's intention.

Mr. Prittie: I wonder if I might ask the minister, then, what we mean by "subject matter"? Is railway abandonment not the subject matter of the bill?

Mr. McIlraith: No, it would be something narrower. It would be compulsory appeals in all cases to the cabinet, with an arbitrary

waiting period of five years. This is a much narrower subject than is found in Bill No. C-120.

Mr. Thompson: I was not moving any formal motion that this should be done. I was merely suggesting to the sponsor of the bill that perhaps this would be the best way of handling it. I have not studied Bill No. C-120 to see what specific relationship it has to the bill introduced today. If the sponsor of the bill felt that this is the way the problem he is referring to could be dealt with most adequately, whether the subject matter is referred to the committee or whether he should withdraw the bill on the understanding the matter would be dealt with, that is entirely up to him. It seems to me that since the over-all picture is to be brought before the committee, we are spending time here in useless debate so far as the objective he is attempting to achieve is concerned. I understand the point the minister is making, Mr. Speaker, and certainly the over-all subject matter of railway abandonment is completely covered in Bill No. C-120.

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I should like to take this opportunity to speak on Bill No. C-57. The minister has said there is a Bill No. C-120 on the order paper which will be discussed later, but I should like to speak about matters with which I am very familiar, namely railway abandonments and the effect they will have on my particular province. I know that should this railway abandonment plan go through it will affect a great number of farmers. It will affect not only a great number of farmers but it will affect communities, towns and even villages and hamlets. At the present time there will be approximately 1,746 miles of railway line abandoned, and when you take into consideration the fact that 235 elevators will be abandoned—

Mr. McIlraith: Would the hon. gentleman permit a question? Why does he use these figures, giving in absolute terms the mileage of lines that will be abandoned, when he does not even know whether or not applications for the abandonment of these lines will be proceeded with?

Mr. Rapp: The reason I know these are the figures is because the railways have indicated them, and the towns and villages that are affected have all set up retention committies which have made representation to the provincial government. That is why I mention so many miles being abandoned, because these places have secured the figures from the railway companies.

These 235 elevators would take in possibly 64 million bushels of grain in any one crop year. If the railways are abandoned these elevators will not operate any more, and farmers who produce grain will be confronted with much higher expense delivering grain to elevators.

The Crowsnest pass agreement provides a stipulated rate for the delivery of grain, but if a farmer has to haul his grain 40 or 50 miles to a station, then the benefit of the Crowsnest pass rate will be almost useless to him. That is why the farmers in the three western provinces are so concerned about rail line abandonment. If the lines are abandoned there will be the extra cost of delivering grain to the elevators. The farmers will also suffer capital losses because the value of their farms will not be so high when they are located 20, 30 or 40 miles from a grain elevator. Further, the value of the towns affected will not be as high as they are at present. These are the reasons why retention committees have been set up in the three western provinces. I am aware railway rationalization legislation is being introduced, but I think now is the time for us to stress these points. If the railway lines are abandoned it will be the greatest disaster ever to strike the three prairie provinces.

The other day when we were discussing immigration the minister said he intended to encourage immigrants who were well educated and trained. The hon. member for Peace River (Mr. Baldwin) then pointed out that his area could accommodate an additional 5 million people to open up the country, and pointed out that the Pine Point railway gives that opportunity for opening it up.

The minister has said that all these matters pertaining to railway abandonment should be directed to a committee for consideration, where witnesses and representatives of the railways could be called, and all these things discussed around the table to see whether railway abandonment is necessary or not. I point out that since the railways themselves have always been opposed to the Crowsnest pass agreement, by abandonment of so many lines they think they would not lose so much money by hauling grain under the Crowsnest pass arrangement.

That is all I have to say at this time.

Mr. J. J. Greene (Renfrew South): Mr. Speaker, I am very pleased that the hon. member for Moose Mountain (Mr. Southam) has

shown an interest in this important subject. I would point out that those of us who come from areas that are badly in need of industrial development are much concerned with the question of railway policy.

I see the smiling and benign countenance of the Minister of Industry (Mr. Drury) in the chamber, and I wish to say there should be some co-ordination between railway policies and the general policies of those of us on this side of the house with respect to industrial development, and its encouragement in those areas that have fallen behind the rest of the country. I do not think we can divorce from the question of railway policy the motivations and directions of the Department of Industry toward industrialization.

The Department of Industry is devoted to the encouragement of industrial development. It has promoted measures such as the designated area legislation, and its new branch, the area development agency, is devoted to encouraging industrial development in areas of slow growth. For that reason I do not think the department can operate without giving some thought to the government's railway policy, because one essential for industrial development in slow growth areas is that those areas should have adequate railway service. We shall not achieve industrial development, no matter how wise or far seeing are the policies of the Department of Industry, if railway policies are such as to divest designated areas of railway service.

Because of this I am pleased to note the government has already introduced Bill No. C-120, which indicates very broad thinking in this area of railway line abandonment. It certainly leaves room and scope for the thought I have in mind, which is that the whole question of railways should be correlated to the need for the distribution of industries across our broad land to a far greater degree than has been the case.

I note that Bill No. C-120 proposes to a large degree the implementation of the findings of the MacPherson commission, and while I have some sympathy with the aims of Bill No. C-57 I personally feel the implementation of the entire ambit of the findings of the MacPherson commission, as envisaged by Bill C-120, is preferable to a hodgepodge, a piecemeal approach to the problem.

I am particularly pleased to support the general premise that the findings of the MacPherson commission should be embodied in government legislation, by reason of the fact that the commission was headed by M. A. MacPherson, who has the very outstanding and distinguishing mark of having been once rejected by his party as leader of that party. I think this is a mark to be proudly worn. I, too, am sorry the Minister of Transport (Mr. Pickersgill) is not here to consider this bill, which has some bearing on Bill C-120 which he himself introduced. We were all extremely sorry to learn of his illness and I was pleased to hear the sponsor of this bill wish him well. I should like to inform the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) who is always concerned about the well-being of the Minister of Transport that I am instructed on reliable authority that while he is in hospital his white flowing robes will be cleaned and will be purged of any stain which remains thereon from the pipe line. I know the hon. member will be very pleased to hear this, as he has been concerned about it in the past.

I think we should consider Bill C-120 in its entirety to determine whether or not the matter which is dealt with in the bill before us is not considered in a far broader way and in a far more satisfactory way, in my humble submission, in the former measure. We know that in clause 6 of Bill C-120, section 168 of the act is amended to cover the entire policy of the abandonment of railway lines. A number of clauses, from clause 6 onward, are concerned with this whole question of the abandonment of rail lines and its effect upon the economy—and not only upon the economy of the railway companies. I agree with the hon. member for Moose Mountain (Mr. Southam) that up to the present time the difficulty attached to these hearings—and I have taken some part in them in the past—is that the commissioners have had to consider the economic position of the railway companies as the main criterion with respect to applications for abandonment. Those of us who represent constituencies in which economic development is badly needed were certainly aghast at the thought that such areas might be deprived of railway service, thus ending virtually all hope of industrial development.

It was heartwarming to find that while the economic position of the railroads is given consideration in the general findings of the MacPherson report the government in presenting Bill C-120 has made its legislation so comprehensive that questions such as the future industrial development of the areas concerned will be taken into account and considered very carefully before any permission to abandon lines is given. As I have just said, it is my hope that this question of the pos-

sible abandonment of railway lines in areas of slow industrial growth should be considered very carefully in conjunction with the policy of the government as expressed through the Department of Industry, and the area development agencies which are working to encourage industrial expansion where it has previously not taken place. It would surely be foolhardy to promote the abandonment of railway lines on one hand while seeking to achieve industrial expansion in those areas on the other because, once the railways are gone, any hope of industrial expansion would be extremely slight.

Mr. Grant Deachman (Vancouver Quadra): In the few moments left I have a few thoughts I should like to place before the house. I do so with hesitation because, coming from a seacoast constituency I am to a considerable degree a layman when I discuss railway line abandonment on the prairies. Nevertheless we in the city of Vancouver have an interest in this subject, inasmuch as we are exporters of a great deal of the grain which is grown in the prairie provinces, in the province of Alberta and on into Saskatchewan.

With the trend toward the shipment of larger quantities of grain across the Pacific we would like to ship more and more prairie grain from Vancouver. Indeed we are discussing at the present time the building of additional facilities so as to be able to handle more grain through that port, and provide the facilities needed for prairie producers to export their products to world markets as expeditiously as they can now be exported through the head of the lakes.

I wish to point out to hon. members opposite that when we pick up a railway map of Saskatchewan we see crosshatched on it more railway lines than one is likely to see on any other map anywhere in the world. I think it is safe to say that Saskatchewan is served by more railway lines operating uneconomically than any other spot on earth. In view of this fact, the question of rail line abandonment is academic. Of course railway lines must be altered in order that transportation may be placed upon a more economic basis. Our problem today is to get this done expeditiously enough that the United States to the south, which is rapidly overhauling its own transportation arrangements and improving its facilities for handling grain, does not reach a point where it becomes highly competitive with us in moving grain to the Pacific coast and exporting across the Pacific to areas to which, because of an antipathy toward the Soviet world, there has been no great anxiety up to now to send commodities. However in the near future we can envisage the United States competing with our exports to these areas. It is only because of the political relationship between the United States and the communist world that we have been given some temporary advantage in selling our grain through the Pacific ports. So it would be unwise to place any moratorium upon the process of upgrading grain handling facilities in western Canada, thus losing the advantage we have, and damaging the prospect of keeping for Canadians an export market which is bound to continue for a considerable time.

[Mr. Greene.]

As I say, I am not qualified to discuss this question in detail or at any length. Nevertheless I believe we should give consideration to the points I have raised and realize that upon the efficiency of our rail transport system may depend the future of a vital market, a highly competitive market which our neighbour to the south is prepared to enter.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Batten): The hour for the consideration of private members' business has expired.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting house leader whether the business for Monday and Tuesday stands as announced?

Mr. McIlraith: Yes, Mr. Speaker. On Monday we will resume the debate on the farm machinery bill, followed by the resolution preceding the crop insurance act. That will be followed by second reading of the bill to amend the acts administered by the department of insurance.

In line with the suggestion made by the chief whip of the official opposition as set out at page 8662 of *Hansard,* when that is finished in the afternoon I will arrange to have the leader of the house advise the other house leaders what the business will be on Monday evening.

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

[The following items were passed this day in committee of supply.]

DEPARTMENT OF MINES AND TECHNICAL SURVEYS

B—Dominion coal board—

65. Administration and investigations of the dominion coal board, $179,400.

70. Payments in connection with the movements of coal under conditions prescribed by the governor in council, and subventions in respect of eastern coal under agreements entered into pursuant to the Atlantic Provinces Power Development Act, $15,815,000.

HOUSE OF COMMONS

Monday, October 5, 1964

The house met at 2.30 p.m.

MARRIAGE

PROVISION FOR MINIMUM AGES FOR MALES AND FEMALES

Mr. John R. Matheson (Leeds) moved for leave to introduce Bill No. C-128, respecting marriage (age of marriage).

Some hon. Members: Explain.

Mr. Matheson: Mr. Speaker, Canada has heretofore failed to impose minimum age requirements with respect to marriage as it might have done pursuant to the powers contained in paragraph 26 of section 91 of the British North America Act 1867. At present in various Canadian provinces children may contract marriage at ages substantially below what has been considered an appropriate minimum age by numerous delegates to the United Nations, namely 15 years.

This bill is designed to strengthen and dignify the institution of marriage by fixing an absolute minimum age of 16 years for males and 15 years for females below which no person in Canada may enter into this solemn contract.

Motion agreed to and bill read the first time.

AGRICULTURE

REFERENCE TO COMMITTEE OF REPORT ON P.F.A.A. ADMINISTRATION

On the order: Government notices of motions:

October 2—The Minister of Agriculture:—

That the recommendations contained in the report of the prairie farm assistance administration commission of inquiry, tabled on July 29, 1964, including the following two questions:

1. Whether the permanent staff of the P.F.A.A. should be brought under the civil service commission, and

2. Whether there should be other changes in the operation of the P.F.A.A.,

be referred to the standing committee on agriculture and colonization for such recommendations as it deems advisable.

Mr. Speaker: Pursuant to section 2 of standing order 21, this government notice of motion stands transferred to and ordered for consideration under government orders at the next sitting of the house.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

POSTAL ACCOMMODATION, RED ROCK, ONT.

Question No. 1,862—**Mr. Fisher:**

1. How many postal boxes are there in the Red Rock post office?
2. Can any more be added?
3. Are there sufficient boxes to meet the demand?
4. Has the Department of Public Works surveyed the accommodation and, if so, what comments has it made?

Hon. Maurice Lamontagne (Secretary of State): 1. 378.

2. Yes. Additional boxes to be installed.

3. Only one request on hand which will be met October 1, 1964.

4. The Department of Public Works surveyed the accommodation and it was determined that additional lock boxes could be installed to meet the requirements of the Post Office Department. Immediate action is being taken to have the additional lock boxes installed.

PROVISION FOR FLIGHT INFORMATION BY T.C.A.

Question No. 1,885—**Mr. Tucker:**

Has the T.C.A. received complaints concerning the overloading of telephone lines by persons making reservations and, if so, will consideration be given to the installation of additional lines in their various offices which would be used solely for the provision of flight information to the travelling public?

Hon. J. W. Pickersgill (Minister of Transport): The management of Trans-Canada Air Lines advise as follows:

Complaints are received from time to time in connection with reservations—telephone answering service. However, established customer service standards are being achieved on a system basis and in many cases exceeded. Standards require that a minimum of 85 per cent of incoming calls in a given hour be challenged immediately and 82 per cent of these calls must be accepted by an operator for processing within 20 seconds of dialing completion. The air line relies on the

telephone companies' metering equipment for details regarding hourly volume of incoming calls being rejected.

Telephone answering service in the Ottawa office suffered this year due to extensive internal renovations and malfunction of telephone equipment, and this situation has now largely been corrected although still under close observation.

Studies are being conducted into the use of electronic equipment to segregate and service requests for flight arrival and departure information, and when these are completed, a decision will be made as to the advisability of its installation.

CIVIL SERVICE COMPETITION 64205

Question No. 1,903—**Mrs. Jones:**

1. What are the names of the candidates for competition No. 64205, executive pilots' position, Department of Transport?
2. Who was the successful candidate?
3. On what basis was he chosen?

Hon. Maurice Lamontagne (Secretary of State): 1. Having regard for the right to privacy of candidates in competitions, and the possibility that publication of this information could prove not only embarrassing but prejudicial to them, the civil service commission holds the names of candidates in confidence. However, the names of the successful candidate(s) placed on the eligible list will be published in the Canada Gazette.

2. This competition is still in progress and the commission has not determined who the successful candidate(s) will be.

3. The successful candidate(s) will be chosen after an interview at which careful consideration will be given to their qualifications related to the job, and subsequent to any other necessary examination or investigation of the candidates or their backgrounds.

TRAINING GRANTS FOR PSYCHIATRISTS

Question No. 1,907—**Mr. Orlikow:**

1. How many psychiatrists in training for the current year are in receipt of training grants from the federal government?
2. What is the value of each grant?
3. What is the total value of the grants?
4. What are the plans for next year's grants?
5. What commitments have been made for the next five years to the universities and the medical colleges, in the field of mental health?
6. What requests have been made by the medical colleges for the next five years in the field of mental health?
7. In the past five years, how much have the requests from the medical colleges in the field of mental health gone up, year by year?

[Mr. Pickersgill.]

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. Under the national health grants, 143 psychiatrists are in receipt of training grants during the fiscal year 1964-65.

2. Payments to trainees in psychiatry under the national health grants are made as follows:

(a) Bursaries to trainees taking professional training are set by the provinces according to the need of the individual, but they are not to exceed $250 monthly for persons without dependants and $300 for persons with dependants. Besides a bursary a trainee may receive travel expenses to and from the place of training only once during the training period; transportation costs to and from the place of training when a trainee is out on field work outside his training centre; tuition fees as actually charged by the training institution; and an allowance for books and technical supplies not exceeding $50 for the full course. Bursaries may be claimed for trainees during the period of actual training. This period may include a reasonable period of travel to and from the training centre. It is understood that the provinces in certain cases supplement the federal assistance.

(b) For short training courses, the duration of which does not exceed three months, actual reasonable living expenses may be requested. Living expenses are to be accounted for on the basis of provincial regulations governing travelling and maintenance expenses.

3. For 1964-65 an amount of $237,312 is being allocated for the training of psychiatrists.

4. The national health grants represent a federal-provincial program. Provincial plans for the submission of projects against next year's and, to some extent, subsequent years' grants are presently under study in all provinces. The resulting submissions of projects and consultations with provincial planners will begin in December of this year.

5. See answers 4 and 6.

6. The annual submissions of projects received from the provinces on behalf of training, research and health services in medical colleges request the continuance of federal assistance in subsequent years, although a five year period is not always specified.

7. The following funds were made available on the request of the provinces in the

fiscal years 1959-64 to Canadian universities and their medical colleges in the field of mental health: 1959-60, $891,578; 1960-61, $1,041,607; 1961-62, $1,141,793; 1962-63, $1,246,549; 1963-64, $955,342.

PRAIRIE PROVINCES WATER BOARD

Question No. 1,933—**Mr. Horner (Acadia):**

1. When was the prairie province water board set up?
2. Did all the prairie provinces join at that time in support of the water board?
3. When was the initial study undertaken?
4. Did Alberta participate?

Hon. Harry W. Hays (Minister of Agriculture): 1. The prairie provinces water board was established by agreement on July 28, 1948.

2. Yes.

3. The initial study was undertaken in November 1948 and involved analysis of stream flow records at interprovincial boundaries.

4. Yes.

INSTALLATION OF TRAFFIC SIGNALS, SCARBOROUGH TOWNSHIP, ONT.

Question No. 1,934—**Mr. Scott:**

1. Has the government or any other agency of the government, including the board of transport commissioners, received a request from the township of Scarborough, for the installation of traffic signals at the intersection of Danforth road and Midland avenue?
2. Would such installation require approval by the board of transport commissioners and, if so, has such approval been given and, if not, for what reason?
3. When was the request from the township of Scarborough first made?
4. What action does the government intend taking to see that this request is acted upon quickly?

Hon. J. W. Pickersgill (Minister of Transport): The Board of Transport Commissioners for Canada advises as follows:

1. Yes.

2. Yes in so far as the synchronization of the street traffic signals with the railway signal protection is concerned. Approval of the Board of Transport Commissioners for Canada in this matter has not yet been given due to the complexity of the design of the various electric circuits required. The development of a satisfactory design is under active consideration between the Board of Transport Commissioners for Canada, the Canadian National Railways, and the municipality of metropolitan Toronto.

3. September 9, 1964. However, on April 10, 1963, the municipality of metropolitan Toronto indicated to the board of transport commissioners that traffic studies were taking place with a view to developing a plan for highway traffic control at the intersection of Danforth road and Midland avenue. As this intersection is in close proximity to a Canadian National crossing of Danforth road, the board suggested, in the interests of safety, that the street traffic signals be properly synchronized with the railway crossing signal protection. A scheme was then developed as a result of discussions between representatives of the Canadian National Railways and the municipality of metropolitan Toronto and was submitted by the municipality to the board for its consideration on August 7, 1964.

4. This matter is presently under active development between representatives of the board of transport commissioners, the Canadian National Railways, and the traffic engineers of the municipality of metropolitan Toronto, and the township of Scarborough is being kept advised.

QUALITY PERFORMANCE ANALYSIS CHECKS, AIR CANADA

Question No. 1,935—**Mr. Jorgenson:**

1. Are there quality performance analysis checks on employees working for Air Canada?
2. What is the purpose of these checks and to what extent are they useful in determining performance ratings of employees?
3. In the carrying out of these checks are conversations with Air Canada employees and passengers arranging for flight reservations tape recorded?
4. How long has this practice been carried on?

Hon. J. W. Pickersgill (Minister of Transport): The management of Trans-Canada Air Lines advise as follows:

1. Yes. Quality performance checks are maintained in all areas important to (a) satisfactory customer service and (b) maintaining acceptable maintenance and overhaul standards. Specifically, the air line's customer service quality measurement program includes, among other areas, the following: promptness of telephone answering; quality of in flight services and aircraft grooming; promptness of passenger handling and baggage delivery; reliability of air freight services.

In the area of maintenance and overhaul, the quality analysis program concentrates on achieving technical standards with respect to aircraft, engines and components.

2. The purpose of these programs is to relate actual performance to predetermined standards and, where necessary, take appropriate action to bring below standard performance up to the air line's objectives. They

are useful in determining performance ratings of individual employees; however, their prime purpose is as explained above. Information obtained is used as an integral part of the company's over all training program, and for appropriate supervisory action.

3. The quality analysis program as related to the telephone answering service of the company, does not involve the tape recording of telephone conversations with customers; however, quality analysts do monitor such telephone conversations.

4. Quality performance analysis was introduced in the sales department in 1949.

ASSISTANCE TO TRAINING CENTRES, NOVA SCOTIA

Question No. 1,944—**Mr. Armstrong:**

1. What was the federal contribution toward costs of the Pictou county vocational high school, New Glasgow, N.S., in the financial year ended March 31, 1964?

2. What amount was contributed by the federal government toward the operational costs of the Nova Scotia agricultural college, Truro, in the financial year, 1963-64?

3. What amount was contributed by the federal government toward the operational costs of the Nova Scotia fishermen's training centre, Pictou, in 1963-64?

4. What amount was contributed by the federal government toward the operational costs of the Nova Scotia land survey institute, Lawrencetown, in 1963-64?

5. Does the federal government have any control over the quality of the curriculum and of the instruction at the technical or vocational schools in Nova Scotia that are assisted under the Technical and Vocational Training Assistance Act?

Hon. A. J. MacEachen (Minister of Labour): 1. $371,267.

2, 3 and 4. The federal government contributes 50 per cent of provincial costs for trade and other occupational training carried on by the Nova Scotia agricultural college, Truro, and the Nova Scotia fishermen's training centre, Pictou, as well as 50 per cent of the cost of technician training carried on in the Nova Scotia land survey institute, Lawrencetown. The distribution of such costs by schools or institutions is not available. However, during the financial year 1963-64 the federal government contributed to the province of Nova Scotia $279,637 for trade and other occupational training and $14,290 for technicians training.

5. Control over the quality of education is a provincial responsibility. However, modifications are effected in the program from time to time through consultation and cooperation between federal and provincial officials.

[Mr. Pickersgill.]

LICENCE RESTRICTION, PACIFIC COAST FISHERY

Question No. 1,945—**Mr. Prittie:**

1. Has the Minister of Fisheries received a letter from the Pacific trollers' association requesting that the government institute a form of licensing for the Pacific coast fishery?

2. Is licensing of the type requested by the Pacific trollers' association in effect in any of the fisheries in Canada?

3. Has the government knowledge of the type of licence restriction in effect on the Pacific coast of the United States?

4. Is the question of licence restriction for the Pacific coast fishery of Canada receiving study by the government?

Hon. H. J. Robichaud (Minister of Fisheries): 1. Yes.

2. No.

3. No.

4. Yes.

RETIRED SENIOR OFFICERS IN DEFENCE INDUSTRIES

Question No. 1,951—**Mr. Coates:**

1. How many officers of, or above the rank of major in the army, and the equivalent rank in the other two services, have retired from positions of executive and administrative responsibility in the Department of National Defence since May 1, 1963?

2. How many of these officers have reported the acceptance of appointments in defence industries which have contracts with the Department of Defence Production and/or the Department of National Defence?

Hon. Paul Hellyer (Minister of National Defence): 1. 669.

2. Officers are not required to notify the department of the civilian occupation they have accepted upon retirement.

CIVIL SERVICE COMPETITION 64-381

Question No. 1,953—**Mr. Fisher:**

1. Before civil service competition No. 64-381 was posted, was any consideration given to having the duties outlined in the competition notice carried on by the national energy board and, if not, for what reason?

2. What person or persons have been looking after these duties until now?

3. What has been the salary or salaries that have been paid?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources: 1. Yes.

2. Mr. A. D. Hunt.

3. $12,300 to $13,800.

PURCHASE OF PENITENTIARY PROPERTY, NORTHUMBERLAND COUNTY, ONT.

Question No. 1,959—**Mr. Webb:**

1. Did Mr. Owen Clark, Northumberland county, receive any inconvenience pay to vacate the property, in addition to the $55,000 he received for his farm property to be used as a site for the new

federal penitentiary in Northumberland county, Ontario and, if not, is he entitled to such pay?

2. Did Mr. Clark receive any other moneys in the negotiations re the purchase of this property?

Hon. J. P. Deschatelets (Minister of Public Works): 1. No. The $55,000 accepted by Mr. Owen Clark of Northumberland county for his farm as the site of a new penitentiary was in full settlement of all his entitlements.

2. No.

FEDERALLY OPERATED FERRY SERVICES

Question No. 1,962—**Mr. Chatterton:**

1. What ferry services are operated by the federal government, or any agency of the government including crown corporations?

2. Between what points does each such service operate?

3. What was the cost to the Canadian taxpayer of each of these ferry services in the last fiscal year?

4. What new ferry services is the government proposing?

5. What is the estimated annual cost to the Canadian taxpayer of such new ferry services?

Hon. J. W. Pickersgill (Minister of Transport): Three ferry services are operated for the Department of Transport by the Canadian National Railways: (1) Newfoundland ferry services; (2) Prince Edward Island car ferry service; (3) Nova Scotia-New England ferry service.

2. (1) Newfoundland ferry services operate out of North Sydney, N.S., to Port aux Basques and other island ports. (2) The P.E.I. car ferry service operates between Cape Tormentine, N.B., and Borden, P.E.I. (3) The Nova Scotia-New England ferry service operates between Yarmouth, N.S., and Bar Harbor, Maine.

3. The operating deficits payable on these services for the 1963-64 fiscal year were: (1) Newfoundland ferry services, $8,572,936; (2) P.E.I. car ferry service, $3,352,677; (3) Nova Scotia-New England ferry service, $217,108.

4. A ferry service between North Sydney, N.S. and Argentia, Nfld., is expected to come into operation in 1967.

5. It is expected that revenues from North Sydney-Argentia service will meet operating costs.

FISHERMEN'S TRAINING CENTRE, PICTOU, N.S.—IMPROVEMENTS

Question No. 1,965—**Mr. MacEwan:**

When were improvements and an extension made to the Nova Scotia fishermen's training centre, Pictou, Nova Scotia, and what was the federal government's contribution toward these improvements and extension?

Hon. A. J. MacEachen (Minister of Labour): Federal approval for an addition to the Nova Scotia fishermen's training centre, in Pictou was granted on July 17, 1961. According to records in the Department of Labour construction commenced on a new building, October 25, 1962. Federal payments as of August 31, 1964 were as follows: building, addition and alteration, $129,939.94; furnishings and equipment, $50,963.68.

FEDERAL CONTRIBUTION TO VOCATIONAL SCHOOL, STELLARTON, N.S.

Question No. 1,966—**Mr. MacEwan:**

When was work commenced on the construction of the Pictou county vocational high school, Stellarton, Nova Scotia, and what was the federal government's contribution toward the cost of the building and furnishings?

Hon. A. J. MacEachen (Minister of Labour): According to records in the Department of Labour construction commenced on June 4, 1962.

Federal payments as of August 31, 1964 were as follows: building, $455,410.20; furnishings and equipment, $297,247.45.

REPRESENTATIONS RESPECTING TRANSFERRABLE LOBSTER LICENCES

Question No. 1,967—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait of Canso requesting that no new lobster fishing licences be granted with the power of transfer available to those presently holding the lobster fishing licences and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

REPRESENTATIONS RESPECTING LOBSTER TRAPS

Question No. 1,968—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait of Canso requesting that each lobster fisherman be limited to 400 traps, and that no licensed lobster fisherman be allowed to continue fishing if he uses less than 200 traps and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

REPRESENTATIONS RESPECTING LIMITATION ON LOBSTER TRAPS

Question No. 1,969—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait

of Canso requesting that the use of more than 400 lobster traps will result in the suspension of the lobster fisherman licence and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

REPRESENTATIONS RESPECTING LOBSTER SIZES

Question No. 1,970—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait of Canso requesting that strict regulations be implemented regarding the catching of small and varied lobsters and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

REPRESENTATIONS RESPECTING PERMITS FOR FISHERMEN'S HELPERS

Question No. 1,971—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait of Canso requesting that helpers permits be issued annually and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

REPRESENTATIONS RESPECTING SUNDAY FISHING

Question No. 1,972—**Mr. Coates:**

Have representations been received from the fishermen's association of Northport to the strait of Canso requesting that a law be implemented to prohibit Sunday fishing and, if so, what action has the Minister of Fisheries taken with respect to such representations?

Hon. H. J. Robichaud (Minister of Fisheries): No such representations have been received in the department.

CAR FERRY, NORTH SYDNEY-NEWFOUNDLAND

Question No. 1,979—**Mr. Muir (Cape Breton North and Victoria):**

Has final approval been given, as yet, for a new rail car ferry to operate between the port of North Sydney, Nova Scotia and Newfoundland?

Hon. J. W. Pickersgill (Minister of Transport): Yes.

VESSEL CONSTRUCTION SUBSIDY, GREAT LAKES

Question No. 1,981—**Mrs. Jones:**

1. What formula of assistance is used for the subsidization of the building of vessels on the great lakes?

[Mr. Coates.]

2. How much has been provided, by years, since the program started?

3. How many vessels have been built?

Hon. J. W. Pickersgill (Minister of Transport): 1. Construction subsidy provided under the ship construction assistance regulations amounting to 40 per cent of approved cost up to March 31, 1963, and 35 per cent from March 31, 1963 to date.

2. 1961-62, $320,887.76; 1962-63, $3,097,-839,81; 1963-64, $10,490,768.15; 1964-65 (to date), $4,439,946.16.

3. 37.

VANCOUVER GRAIN SHIPPING STATISTICS

Question No. 1,982—**Mrs. Jones:**

1. What is the terminal capacity of elevators at Vancouver (a) storage (b) working?

2. How many bushels of grain were shipped from Vancouver in each of the last 10 years?

3. What was the length of the shipping season in each of those years?

Hon. Harry W. Hays (Minister of Agriculture): 1. (a) 22,600,000 bushels; (b) 18,500,000 bushels (estimated).

2. 1954-55, 92.0 million bushels; 1955-56, 107.1 million bushels; 1956-57, 129.4 million bushels; 1957-58, 160.4 million bushels; 1958-59, 147.3 million bushels; 1959-60, 127.4 million bushels; 1960-61, 150.1 million bushels; 1961-62,172.2 million bushels; 1962-63, 156.1 million bushels; 1963-64, 207.5 million bushels.

3. There is no beginning or end to the shipping season in Vancouver, as the climate permits year round shipping activity.

GRAIN SHIPPED BY RAIL, SASKATOON TO HALIFAX

Question No. 1,983—**Mrs. Jones:**

1. Was any part of the grain in the government-owned elevator at Saskatoon moved by rail to Halifax in the crop year 1963-64 and, if so, how much?

2. What was the cost per bushel of moving it from the lakehead to Halifax?

Hon. Harry W. Hays (Minister of Agriculture): 1. Yes. 1,084,625 bushels of wheat.

2. 32.4 cents.

CHURCHILL GRAIN SHIPPING STATISTICS

Question No. 1,984—**Mrs. Jones:**

1. What is the present capacity of elevators at Churchill (a) storage (b) working?

2. What were the amounts of grain shipped in each of the last 10 shipping seasons?

3. What was the length of the actual shipping season, by days, for each of those 10 years?

Hon. Harry W. Hays (Minister of Agriculture): 1. (a) 5,000,000 bushels; (b) 4,000,000 bushels (estimated).

2. 1954, 12,485,000 bushels; 1955, 13,320,000 bushels; 1956, 16,453,000 bushels; 1957, 16,869,000 bushels; 1958, 20,110,000 bushels; 1959, 22,132,000 bushels; 1960, 19,794,000 bushels; 1961, 19,697,000 bushels; 1962, 21,845,000 bushels; 1963, 23,262,000 bushels.

3. 1954, 71 days; 1955, 73 days; 1956, 73 days; 1957, 72 days; 1958, 78 days; 1959, 81 days; 1960, 78 days; 1961, 83 days; 1962, 78 days; 1963, 83 days.

WHARF REPAIRS, SOUTHAMPTON, ONT.

Question No. 1,986—**Mr. Loney:**

Is the Department of Public Works considering any construction, renovation or repair at the government wharves at Southampton, Bruce county, Ontario?

Hon. J. P. Deschatelets (Minister of Public Works): A dredging contract was awarded on September 15, 1964, for dredging in the Saugeen river (Southampton) between north and south pier. Minor wharf repairs consisting of repairing one bollard is to be done later this year.

AMENDMENT OF N.H.A. REGULATIONS RESPECTING CONSTRUCTION SUPERINTENDENTS

Question No. 1,996—**Mr. Scott:**

1. Has the Central Mortgage and Housing Corporation branch office in Scarborough, Ontario, received a request from any representatives of the township of Scarborough for amendment to any N.H.A. regulations, making it a condition of mortgage approval, that apartment projects employ the services of a qualified, competent construction superintendent and, if so, what was the answer given by Central Mortgage and Housing Corporation to the request?

2. If Central Mortgage and Housing Corporation refused the request, in detail, what are the reasons for such refusal?

Hon. J. R. Nicholson (Postmaster General): 1. The manager of Central Mortgage and Housing Corporation's loans office in Scarborough, Ontario was asked by the township clerk of Scarborough on June 23 to comment on the practicality of a requirement by the corporation, as a condition of loan approval, that the builder of any apartment project employ a qualified, competent, construction superintendent for the purpose of ensuring compliance with township building and safety requirements.

2. Central Mortgage and Housing Corporation, in respect of all loans under the National Housing Act on apartments, requires that the heating installations be supervised by a qualified engineer. If the apartment exceeds seven storeys, the entire structure must be supervised by a qualified architect or engineer.

In answer to the request for comment, the corporation suggested that it did not feel that the imposition of further lending conditions would improve the enforcement of municipal bylaws but that the corporation's inspection personnel would continue its fullest co-operation with inspectors of the township of Scarborough to facilitate the enforcement of building standards.

STUDENT LOANS GRANTED

Question No. 2,007—**Mr. Howe (Hamilton South):**

1. As of this date, how many students, in each province and territory, have been granted Canada student loans?

2. In each province and territory, what is the total of loans now granted?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. This information is not yet available.

2. This information is not yet available.

ADMINISTRATION OF JUSTICE

HAL BANKS CASE—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Before the orders of the day are called I wish to ask leave to move the adjournment of this house in accordance with standing order 26, in order to discuss a matter of urgent public importance, namely the threat to law and order which is inherent in a statement as reported in the press made by Mr. James Todd, secretary treasurer of the Canadian maritime union. He has charged, according to press reports, that certain people in the government made a deal with Hal Banks to get him out of Canada. He is further reported to have said that Banks was only charged with offences for which he could not be brought back; they did not want Banks back to tell everything he knows.

Furthermore, as appears from the report, the F.B.I. in the United States was not requested by the Canadian government for assistance in locating the said Hal Banks, and generally that incomplete and evasive answers and explanations given to this house by members of the government reveal a failure to deal forthrightly with the case of Hal Banks, which failure has resulted in Banks being free to flout the law and escape justice thereby bringing into disrepute the administration of law and justice.

Hon. Paul Martin (Acting Prime Minister): I should like to say, in response to my right hon. friend's intention to move the adjournment of the house, that under our rules it is obligatory to establish a number of preliminaries. My right hon. friend, while he has brought forward a matter that is, of course, of public importance, has not established the urgency that is contemplated within our standing orders. In any event, even if there were the kind of urgency that is contemplated within the standing orders, the matter can be dealt with more effectively later, in view of the fact that the government will bring in the estimates of the Department of Justice not later than Thursday of this week.

In addition, the responsible minister, the Minister of Justice, is now engaged in conference on constitutional questions with the provincial attorneys general, who have assembled here and began meetings this morning. They will continue to meet throughout today and tomorrow. The Prime Minister likewise, as my right hon. friend will recall, left a short time ago for Charlottetown to meet Her Majesty the Queen.

But I suggest, in addition to the fact that the Minister of Justice is not here, being preoccupied with important business having to do with constitutional matters involving relations with the provinces, and also because this question, important as it is, does not come within the rule of urgency, that my right hon. friend has not made a case for disturbing the order of business for today. Further, I give him the assurance that he will have the opportunity of dealing with this matter not later than Thursday of this week, when the estimates of the Department of Justice will be before the house.

Mr. Erik Nielsen (Yukon): Mr. Speaker, before Your Honour reaches a decision as to the acceptability of the motion that has been made, may I speak to the question of urgency. As the Secretary of State for External Affairs has rightly pointed out, the matter that has been raised in the motion is undoubtedly one of great public importance. As to the matter of urgency, the fact that the motion has been made in view of the information given to the public in the last two or three days makes it all the more urgent, in my submission, for the Minister of Justice to be here to take part in the debate.

Some hon. Members: Oh, oh.

[Mr. Diefenbaker.]

Mr. Nielsen: I submit to Your Honour that you have a very simple matter to decide. If the statement which has been read into the record by the right hon. Leader of the Opposition as having been made by Mr. Todd is correct, then the matter in itself becomes urgent since the law of Canada and good government in this country has been held up to contempt and ridicule by, to use the words of Mr. Millard, a responsible labour leader.

If Your Honour rules the motion out of order on the ground that it is not urgent, what Your Honour is in effect doing is prejudging the veracity of Mr. Todd's statements. In order for Your Honour to say the matter is not urgent you must perforce say that what Mr. Todd said is not true, and I suggest to you, sir, that is not your function. It is the function of the house to accept the urgency inherent in the statement by Mr. Todd that there has been a connivance by the government and the S.I.U. in order to contrive for the escape of Hal Banks—

Mr. Martin (Essex East): Mr. Speaker, I do not want to interrupt my hon. friend and interfere with that portion of his argument which may be in order, but I am sure Your Honour will appreciate that it is not possible at this stage in our proceedings to argue the merits of the question. Your Honour has the motion before you, and Your Honour must determine whether that motion has urgency within the meaning of standing order 26. Your Honour is not called upon to decide whether the allegations are right or invalid, but simply whether there is the required urgency.

My hon. friend is now making an argument, to which no reply is being made simply because we want to keep within the rules. I suggest that the question before Your Honour is whether the required urgency has been established, not whether this person or that is to be believed. There is an allegation that someone has said there was a connivance. There were certain other allegations too. All Your Honour has to determine within standing order 26 is whether this question as presented in the motion is one that possesses the urgency specified by standing order 26.

Mr. Nielsen: Mr. Speaker, I thought I was steering clear of the merits, just as my hon. friend so often does in his own arguments on questions of this nature. I had not at all mentioned the merits of the statements made. I was simply reiterating the words contained

in the motion as presented by the Leader of the Opposition, words quoted from press reports, and I was pointing out to Your Honour that in order to come to a decision that there is no urgency involved in the motion, perforce that decision must be in effect one of disbelief of Mr. Todd's statements to the press.

I further suggested to Your Honour that the proper course to follow would be to accept that urgency attaches to this matter; because after all, if Mr. Todd's statements which have been read into the record by the Leader of the Opposition are true then the matter is indeed one of urgency, because it holds up to contempt the administration of law and justice in this country. I would think that all members of the government would want to see discounted any reflection on the government that there has been connivance with the S.I.U. in Mr. Banks' escape from Canada, and the only way in which this can be done is by allowing the house to debate this subject at the earliest possible opportunity.

There have been many conflicting and misleading statements made with regard to this whole subject, and unless these statements are resolved, and unless forthright and full explanations are made by responsible members of the treasury benches, the Canadian public and members of this house will be left in doubt as to whether there is that solid foundation upon which all freedom in this country is based, namely the efficient and impartial administration of our laws.

Surely this would indicate the great urgency which attaches to this question, and I suggest to Your Honour again that if you were to reach a conclusion that there is no urgency attached to debating this question you would, in effect, be prejudging the veracity of Mr. Todd's statements—

Mr. Speaker: Order, please. That is going a little far. The duty of the Chair is not to decide the merits of the case. That I think, is obvious. The duty of the Chair is to decide whether under the terms of standing order 26 there is sufficient urgency attached to this matter to justify setting aside the ordinary business of the house so as to debate the question immediately. In a case such as this I certainly intend to rely in part on Beauchesne, citation 100—

Mr. Woolliams: Is Your Honour ruling now that no one else may speak to this motion at this stage?

Mr. Speaker: That is right. Citation 100—

Mr. Nielsen: I rise on a question of privilege. I feel that hon. members on all sides of the house are interested in this matter and should have the right to speak at this time.

Mr. Speaker: Order. There is no question of privilege. Paragraph 3 of the citation to which I have referred reads:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate"—

Mr. Nielsen: Surely, before your mind is made up, the least that could be done would be to hear some further argument.

Mr. Speaker: I have listened with the greatest of interest and as carefully as possible to the three arguments which have been presented and I do not see that there is such difficulty as to justify my listening for the rest of the afternoon to several speakers. I think, at least I hope, that the ruling I give will be correct, fair, and of course impartial. Anyway, I would refer to rule 100, paragraph 3 which reads:

> "Urgency" within this rule does not apply to the matter itself, but it means "urgency of debate", when the ordinary opportunities provided by the rules of the house do not permit the subject to be brought on early enough and public interest demands that discussion take place immediately.

There is no doubt at all that this is an urgent matter. The matter to which the Leader of the Opposition addressed the attention of the house is important; it is a matter of public importance. But the duty of the Chair is to apply certain criteria to standing order 26, and in doing so the criterion I wish to apply is whether there is an opportunity to debate this matter in an effective way.

Mr. Speaker Black said on March 31, 1931, as reported in the *Journals* of that day at page 50:

> The reason for allowing such a motion for the adjournment is to afford members an opportunity of discussing a definite matter of urgent public importance which they could do in no other way—

Mr. Speaker Michener on June 27, 1961, as reported at page 7105 of *Hansard,* ruled in more or less similar words what I have said this afternoon.

I am informed today that the estimates of the Minister of Justice will be before the house on Thursday and that, of course, will provide an opportunity for a full discussion of this matter.

In view of the fact that the Prime Minister and the Minister of Justice are away on necessary business of state, with the Prime Minister either in or approaching

Charlottetown, it seems to me we could have a much better, fuller and more authoritative discussion on their return. Therefore, with regret, I cannot accede to the request of the right hon. Leader of the Opposition.

APPEARANCE BEFORE COMMITTEE OF UNION TRUSTEES—CONSIDERATION OF BANKS CASE BY INDEPENDENT BODY

On the orders of the day:

Right. Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I now direct a question in connection with this matter to the Acting Prime Minister. In view of the statements made by Mr. Todd, which of course all the members of the government will have seen, is the government now prepared to call an immediate meeting of the trustees so that the trustees of the maritime unions may be brought before a committee of parliament and this matter looked into and most carefully scrutinized and examined?

Also, Mr. Speaker, despite the peremptory refusal of the Prime Minister on Friday, in view of these further statements that have been made—and there are many of them—I wonder whether a full inquiry by an impartial body into the circumstances concerning the laying of the charges of conspiracy against Mr. Banks would be considered, in the public interest.

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, the Prime Minister did deal with this question in principle on Friday. I do not recall that the statements made by Mr. Todd were before the house at that time, but I cannot believe that this would change the situation. However, I am going to take this question as notice and direct it to the head of the government.

Mr. Eldon M. Woolliams (Bow River): A supplementary question, Mr. Speaker. I wonder whether the Acting Prime Minister is aware of a tape recording of a certain interview given by Mr. Banks to Mr. Ed Murphy—I had a telephone call from Charlottetown to that effect—which alleges that certain members of the Liberal party, and maybe of the government, in the past have received from Banks certain consideration which may affect the character of good members. Is he now prepared, as I suggested to the Prime Minister on another occasion, to hold a complete inquiry into this matter, to protect the good name of his members or satisfy the public as to the government itself in this regard?

[Mr. Speaker.]

Mr. Martin (Essex East): Mr. Speaker, I know nothing about the tape recording in question. I am certain there is nothing in it that would in any way reflect unfavourably on the character of any member of the government.

Some hon. Members: Hear, hear.

Mr. Woolliams: A further supplementary, Mr. Speaker. I was wondering how the Acting Prime Minister was able to answer as he has just done if he has not heard the tape. I take it he has heard the tape, in order to pass such an opinion. Has the Acting Prime Minister heard the tape? How can he pass an opinion, if he has not heard it?

Mr. Martin (Essex East): I have not heard the tape, Mr. Speaker, but I have done more than that; I have learned something about the nature of the men who constitute the government of this country.

Some hon. Members: Hear, hear.

Mr. Knowles: What about Judy?

Some hon. Members: Oh, oh.

An hon. Member: Sir Galahad feels better now.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a supplementary question for either the Acting Prime Minister or the Minister of Citizenship and Immigration. In view of the fact that Hal C. Banks has been found guilty of conspiracy in the courts and is now a fugitive from justice, is the government planning to take steps to cancel his status as a landed immigrant?

Mr. Martin (Essex East): Mr. Speaker, may I take advantage of this opportunity to say that if I did not include the Minister of National Health and Welfare in my explanation a few minutes ago, it was because it was so apparent that she could not be involved in my hon. friend's question that I did not involve her in my response. I should like to take notice of that question.

Mr. Douglas: I am sorry; I did not quite understand the last part of the answer.

Mr. Martin (Essex East): I said that I would take notice of the question and give a reply tomorrow.

Mr. Douglas: Do I understand that the government has given no consideration to this question?

Mr. Martin (Essex East): Again I say I should like to take notice of this question to see whether or not it has.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to put a supplementary question to the Acting Prime Minister. Could he tell the house if the present government is doing everything in its power to find other charges which could lead to Hal C. Banks' extradition? Could he also tell the house how the government is going about finding these charges and obtaining the extradition of Mr. Banks to Canada?

Mr. Martin (Essex East): Mr. Speaker, as the hon. member knows full well, the government has appointed special attorneys to study this matter, and I am sure the investigation is still in progress.

[*Text*]

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I have a supplementary question I should like to address to the Acting Prime Minister. In order to assist members of the opposition who will be interested in the debate that will occur on Thursday, can the Acting Prime Minister assure members of the house that Harold Chamberlain Banks or his union did not make large donations to the Liberal party?

Mr. Martin (Essex East): Mr. Speaker, I am sure my hon. friend knows that is the kind of question which is not generally levelled by a fair minded man.

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): I am sure that is not the case, but it would be equally proper for me to ask my hon. friend whether he had obtained assistance in an election from a doubtful character. I am not going to ask that question because that would cast unfair aspersions on my hon. friend, but it perhaps might have just as much foundation as the question which my hon. friend has asked.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, perhaps in view of the reply of the Acting Prime Minister a few moments ago I should direct my question to the Minister of Citizenship and Immigration. Has his department taken any action in regard to cancellation of the rights of one Mr. Banks as a landed immigrant?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, as I have already pointed out to the house, Mr. Hal C. Banks has not only the status of landed immigrant in Canada, but also five years' residence in this country, five years of what is called Canadian residence. Since he has obtained his Canadian residence, Mr. Banks can only be deported in certain cases provided under the Immigration Act. Here are those cases:

He must have engaged in subversive activities;

[*Text*]

second, he must have been convicted by a court of competent jurisdiction of an offence involving dissatisfaction or disloyalty to Her Majesty; third, he must have engaged in espionage, sabotage or other activity detrimental to the security of Canada or, four he must have been convicted of an offence under the Narcotic Control Act.

[*Translation*]

Therefore, the department keeps the matter under constant review, on the basis of developments which may occur in the case of Mr. Banks in the event he could be convicted by a qualified tribunal of an offence which, under the Immigration Act, would make it possible for the government to issue a deportation order against him.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to direct a supplementary question to the Minister of Citizenship and Immigration. Following the answer he just gave, could the minister tell the house whether it is the intention of his department to issue to Mr. Banks a certificate of good behaviour?

[*Text*]

Mr. Winkler: Mr. Speaker, notwithstanding the suggestion that Banks should be brought back and charged with attempted murder, I am wondering whether the minister can explain when Banks established his 25 years of domicile in Canada?

Mr. Tremblay: I said five years; "cinq ans".

Mr. Winkler: I am sorry; I misunderstood.

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to direct a question to the Acting Prime Minister concerning Mr. Banks.

As can be seen in *Hansard* of September 14 last, I asked the Minister of Justice (Mr. Favreau) a question worded somewhat like Mr. Todd's article referred to today. In fact

Inquiries of the Ministry

I asked the Minister of Justice whether he intended to set up a commission to inquire into the situation; the minister answered that he would consult his colleagues of the government. Could the Acting Prime Minister tell us whether the Minister of Justice did consult his colleagues of the cabinet on that matter?

Mr. Martin (Essex East): Mr. Speaker, with the permission of the hon. member, I should like to look into this matter and I may be in a position to reply tomorrow or Wednesday.

THE CANADIAN ECONOMY

REPORTED STATEMENT RESPECTING POVERTY IN CANADA

On the orders of the day:

Mr. William Dean Howe (Hamilton South): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Is the minister aware of an Ontario federation of labour report to the effect that 2,500,000 Canadians live in destitution? If so, has the minister considered the establishment of a royal commission to examine and report on the question of poverty in Canada?

Mr. Speaker: Order. Would the hon. member put that question on the order paper.

[*Later:*]

Hon. Paul Martineau (Pontiac-Témiscamingue): I have a question for the Minister of Finance. I should like to ask him to tell the house if the government is at this time planning any special measures to alleviate the desperate financial situation affecting many Canadians?

Hon. Walter L. Gordon (Minister of Finance): I do not know to what my hon. friend is alluding.

Mr. Martineau: May I ask a supplementary question of the Minister of Finance. He said he did not know to what I alluded. I ask him if he has knowledge of the report issued by the Ontario federation of labour to the effect that at this time 2,500,000 Canadians are living in destitution and another 1,500,000 are living in utter poverty. In view of this alarming report, is the government going to do anything about it?

Mr. Gordon: I will first say that the government has already done a great deal about it. I should like to remind my hon. friend that the economy is in excellent shape, and that Canadians as a whole have never been as well off as they are now. I should like to suggest that there are many other things that should be done and will be done if this house gets on with its business.

Mr. Speaker: Order. The hon. member for Hamilton South asked the same question and I suggested that it be put on the order paper. Perhaps the hon. member for Pontiac-Témiscamingue would do the same.

Mr. Martineau: I have only one more non-controversial question. I ask the minister whether in view of the report the government is contemplating a program similar to the Johnson attack on poverty.

Mr. Raymond Langlois (Mégantic): May I ask a supplementary question in view of the minister's last statement concerning the Canadian people and their economic stability. Is he willing to come and say that at a meeting of my constituents at Thetford Mines?

Mr. Gordon: I am willing to say this before anybody in Canada. Naturally, Mr. Speaker, there are areas in this country that are behind others and should be helped, and I think the one my hon. friend represents is such an area.

Mr. Réal Caouette (Villeneuve): May we advertise that the minister will speak in Thetford Mines next Sunday? He will be welcome there to explain what he has just said in the house.

Mr. Gilles Grégoire (Lapointe): I should like to know if the Minister of Finance would be willing to come into my area, and he will see that there are other areas like this in Canada.

AIRPORTS

ROUYN, QUE.—CONSTRUCTION OF TERMINAL BUILDING

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Public Works. Has the town of Rouyn submitted a request for the construction of a terminal building at the Rouyn airport and, if so, does the minister intend to grant such a justified request on the part of the municipal authorities?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I do not remember having received any such request which, at any rate, should be addressed to the Minister of Transport. Since the latter is away,

however, I shall find out and give a reply to the hon. member shortly.

[*Text*]

AIR CANADA

COST OF CHANGING MAPLE LEAF SYMBOL ON PLANES

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, in the absence of the Minister of Transport I would like to ask the Minister of Public Works a supplementary question. Can he tell the house the cost of affixing the new emblem, comprised of a maple leaf and a split circle, on the aircraft of Air Canada?

[*Text*]

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

COMBINES

CHANGE OF JURISDICTION OVER RESTRICTIVE TRADE PRACTICES

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I have a question for the Minister of Justice, but in his absence and the absence of the parliamentary secretary I should like to address it to the Acting Prime Minister or the Acting Minister of Justice. My question deals with a speech made by the Minister of Justice at Montebello on Friday, October 2. Is the government giving present and active consideration to changing its jurisdiction in respect of restrictive trade practices by means of the section dealing with trade and commerce under the British North America Act, as the minister's speech indicated?

Hon. Paul Martin (Acting Prime Minister): I will take the question as notice.

CANADIAN CENTENNIAL

INQUIRY AS TO SUPPORT FOR SUGGESTED YOUTH PARLIAMENT

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Secretary of State relating to an article which appeared in the Ottawa *Citizen* of October 3, under the caption "Youth parliament on hill". It deals with the promotion by Mr. William Fair of a Canadian centenary youth parliament, and indicates widespread support. Will the minister indicate whether the federal government, his department and the department of the Prime Minister endorse this project?

Mr. Speaker: This is a question for the order paper. There is no immediate urgency in that regard.

FISHERIES

REPRESENTATIONS OPPOSING LANDING OF FISH BY FOREIGN FLEETS

On the orders of the day:

Mr. Barry Mather (New Westminster): Mr. Speaker, I have a question I should like to ask the Minister of Fisheries. I wonder whether the minister has received representations over the week end from the fisheries council of Canada expressing strong opposition to the landing of fish in Canada by foreign fleets and uneasiness over the minister's statement on this point on September 24. If so, what is his view on the matter?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, I did in fact receive a letter this morning from the fisheries council of Canada, and in my reply I referred to the statement I made in the house on September 24 during the discussion of my department's estimates. Hon. members will recall that I stated then that this whole matter was being studied by an interdepartmental committee, and at the time I also brought to the attention of the house some of the objections and problems which would result if such a practice were established.

CANADIAN BROADCASTING CORPORATION

APPEARANCE OF JUSTICE MINISTER ON PROGRAM "THIS HOUR HAS SEVEN DAYS"

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. Will the Secretary of State ascertain from the Canadian Broadcasting Corporation whether it has received a complaint from the Minister of Justice or from anyone acting on his behalf with respect to the part that the Minister of Justice took in last night's program entitled "This Hour Has Seven Days"?

Hon. Maurice Lamontagne (Secretary of State): I will be very pleased to do so, Mr. Speaker.

Inquiries of the Ministry

AGRICULTURE

GOVERNMENT ACTION RESPECTING POULTRY AND CATTLE PRICES

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Agriculture based on representations made to me by a number of farmers on my return to my constituency this past week end. As a result of the perilously low prices for fowl and beef cattle is the minister considering any immediate action to alleviate the pressure on the farmers?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, in so far as beef cattle are concerned they are supported under the stabilization program. The situation is that for most of the summer and a great deal of the spring beef cattle in the United States were much higher than they were in Canada. We are fortunate in that the consumption of beef is up about 9 per cent since June 16, and we have been able to consume all of the meat produced. Otherwise the situation would have been much worse. We have to thank our buoyant economy for that favourable situation.

In so far as poultry are concerned, I have met the people who seem to be in the worst trouble, the turkey producers. We are concerned about this situation. They have protection amounting to about 7½ cents to 8 cents a pound over United States turkeys. We are watching the situation very closely, and if we have to make a move we certainly will.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Agriculture. Did I understand him to say that we were fortunate in that certain classes of beef were selling for $6 or $7 less than they were a year ago?

Mr. Hays: No, I did not say that, Mr. Speaker. If I did, I did not mean to. The price of beef cattle today is about $22 or $22.50 for reds and blues at Toronto, and generally there is a difference of about 2½ cents a pound caused by freight rates from the west to the east. Prices of livestock in the United States were about $4.25 a hundred below ours and, of course, they started to move into Canada. This condition existed in the early part of the year, when we imported something like 30,000 head. There are some of our cattle now moving into the United States as their market has firmed up. We hope and believe this market will continue, and that there will not be much change in the price of beef cattle between now and next spring.

FINANCE

SUPPORT FOR BRITISH CURRENCY DURING ELECTION PERIOD

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Minister of Finance. Will he tell the house what arrangement has been made among the central banks of Canada, Belgium, France, Italy, The Netherlands, Switzerland and West Germany, to quote the press dispatch, "against the possibility of speculation arising in the exchange markets during the election period" in the United Kingdom? Can the minister say what is the nature of these arrangements?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the Bank of Canada and the central banks of the other countries to which the Leader of the Opposition referred have entered into arrangements of a temporary character to provide support to sterling, if it is needed, against any possible speculative pressures.

Mr. Diefenbaker: That much appeared in the newspapers. What is the nature of the arrangements that have been made; and do they result from the fear of the British government that the same kind of manipulation that caused a run on the Canadian dollar in 1962 during the election of that year might occur during the election campaign in Great Britain?

Mr. Gordon: Mr. Speaker, my recollection of the circumstances in 1962 is that the financial affairs of the country had been thoroughly badly managed, and that was the cause of the difficulty. I would not like to suggest that the same situation applies in Great Britain.

Mr. Diefenbaker: Mr. Speaker, it is not for me to answer the hon. gentleman in kind, but he has made a mess of the finances of this country. He incited me to say that, and I did not want to say anything that would cause him to feel an unnecessary degree of immodesty. I would ask him this question. What is the nature of the arrangement that has been made? Does the minister not know what the arrangement is?

Mr. Gordon: Mr. Speaker, I know what the arrangement is.

Mr. Diefenbaker: All right.

Mr. Gordon: The central banks of a number of countries have agreed to make certain credits available to the Bank of England in the event that there should be speculative pressures against sterling. If there are no speculative pressures against sterling nothing will have to be done. If there are, then the central banks to the extent of their commitments will be able to come to the assistance of the Bank of England.

Mr. Diefenbaker: What is the extent of the commitment by the Bank of Canada?

Mr. Gordon: Mr. Speaker, these are subjects which, in the best interests of international finance, I think it would be preferable not to go into in detail. The Bank of Canada has every right under the law to make credits available, and it is exercising that right. I expect that in due course after the present temporary difficulties have passed the bank will be making a full report.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. In view of the fact that our international deficit on non-merchandise account for the first six months of this year is now placed at $518 million, which is about $86 million higher than for the same period last year, is the minister taking any steps to protect the Canadian dollar in the event of pressures being brought to bear against it?

Mr. Gordon: Mr. Speaker, I think my hon. friend is correct in comparing the situation for the first half of this year with that for the first half of last year. However, he will allow me to remind him that this difficulty occurred during the first quarter, and that in the second quarter the situation was better in 1964 than it was in 1963.

With respect to steps being taken to protect the value of the Canadian dollar, I would remind the hon. member that the official holdings of gold and United States dollars, which are made up of the holdings of the exchange fund, the Minister of Finance and the Bank of Canada, were some $2,624 million in terms of United States dollars at the end of September, a substantial increase over the corresponding amount at the end of August. I am quite confident in saying that the position of the Canadian dollar is very strong.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I would like to ask the Minister of Finance a supplementary question. He has just stated that the Bank of Canada has all the required authority to grant or make arrangements to grant credit to England under the present circumstances.

In the interest of international finance, however, he cannot reveal to what extent Canada is participating in this arrangement.

Perhaps he could tell us, however, always in the interest of Canada, whether interest will be charged on credit granted by the Bank of Canada, and whether such amounts will be loaned or given in order to prevent the fluctuations or speculation he referred to?

[*Text*]

Mr. Gordon: It is quite possible no amount will be lent. There is merely an arrangement for the Bank of England to call on the central banks of other countries, including Canada, for assistance in the event of need. I would remind my hon. friend that Canada was in the same position not so very long ago, and we were grateful to the central banks of other countries for making similar facilities available to us. This is a movement, I would say, in the right direction and one in which Canada should be very pleased and happy to be in a position to participate.

Mr. Douglas: May I ask a supplementary question. If this assistance, in the event it is called for, is given to the Bank of England will it be in addition to assistance given by the international monetary fund, or will this assistance be given through the international monetary fund?

Mr. Gordon: This assistance about which we are talking is quite separate and distinct from any assistance that may or may not be available through the international monetary fund.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): May I ask a supplementary question. I should like to ask the minister if it is not true that at the time to which he referred just now, when Canada was in difficulty, part of the effectiveness of the stand-by agreements that were made was their publication? I should like to ask why he considers it would not be in the public interest for prospective speculators to know the extent of the stand-by agreement that Canada has made with Great Britain.

Mr. Gordon: Well, Mr. Speaker, it would not be for me to indicate what the situation was or what the motivations were that led to the decision on the part of Canada to

make these stand-by arrangements known to the world in June of 1962. In this particular case I believe—this is merely an off the cuff or voluntary statement—that perhaps the British do not feel the situation in so far as sterling is concerned at the present time is anything like as critical as the exchange crisis in which this country was involved in the summer of 1962. In any event, if any such statement were to be made the initiative should come from the country that is making the arrangements with the other central banks to assist that country in the event of need.

EDUCATION

STUDENT LOANS—ELIGIBILITY OF QUEBEC STUDENTS

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): I should like to answer a question asked on Thursday by the hon. member for Royal concerning the position of Quebec students who wish to obtain loans under the Canada Student Loans Act and attend universities in New Brunswick. The Quebec plan for loans to students referred to in the question is entirely within the jurisdiction of the province of Quebec. Accordingly I am unable to answer any question concerning the application of that plan to students from Quebec.

HEALTH AND WELFARE

ASSISTANCE TO MEDICAL SCHOOLS AND MEDICAL RESEARCH

On the orders of the day:

Hon. Walter L. Gordon (Minister of Finance): The hon. member for Simcoe East asked a question about instituting immediately a program for the training of more doctors and to explore the question of having medical schools operate for a full term of 12 months rather than 8 months. My hon. friend is not in the house, but perhaps he will read the answer in *Hansard*.

This is a question which comes under one of the subjects dealt with in the recommendations of the report of the royal commission on health services, with which the Prime Minister and the Minister of National Health and Welfare dealt in statements to this house on July 22. These recommendations, which are primarily the concern of the Minister of National Health and Welfare, are presently being reviewed by the government in its study of that report.

[Mr. Gordon.]

NATIONAL DEFENCE

MONTREAL—INQUIRY AS TO ATTACK ON R.M.C. CADETS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of National Defence. Can he clear up any puzzlement in connection with the rather brutal attack in Montreal on the cadets from the Royal Military College, and just give us the assurance this is an ordinary criminal matter rather than something with military or political significance?

Hon. Paul Hellyer (Minister of National Defence): The investigation is under way, and I am afraid I cannot yet give any assurance to the house. Certainly if when we get the facts they prove it is a criminal matter, as it appears to be on the surface, every possible step will be taken to see that the guilty people are brought to justice.

BUSINESS OF THE HOUSE

REQUEST FOR ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Raymond Langlois (Mégantic): Mr. Speaker—

Mr. Speaker: May I ask the hon. member for Mégantic if this matter is really pressing?

Mr. Langlois: I think you will be able to judge that for yourself, Mr. Speaker. My question relates to question No. 1,381, which has been on the order paper since June 26. I should like the Minister of Public Works to tell me if he will be able to answer it before next June 26.

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I was about to say that I will attend immediately to this matter.

The hon. member undoubtedly knows that the parliamentary secretary got in touch with him with respect to this matter in order to clear up some of the questions he asked. We contacted the local office several times and we should be in a position to give him an answer next time.

[*Text*]

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed, from Tuesday, September 29, consideration in committee of Bill

No. C-121, to provide for the extension of credit to farm machinery syndicates—Mr. Hays—Mr. Lamoureux in the chair.

On clause 2—*Definitions.*

The Chairman: Shall clause 2 carry?

Mr. Hays: Mr. Chairman, when the committee was considering this bill last week hon. members raised a number of questions, and if the committee is agreeable I think it would save time and satisfy most of their objections if I were to make a short statement at this stage dealing with the matters already raised.

The Chairman: Is this agreeable to the committee?

Some hon. Members: Agreed.

Mr. Hays: We are dealing with clause 2, but since it is closely related to clauses 3 and 9 I hope hon. members will permit me to refer to whatever extent is necessary for clarity, to those clauses as well.

Several hon. members have questioned the provision in the bill that the definition of farm machinery should be set by regulation instead of being spelled out in the bill. There are excellent reasons and excellent precedents for this approach. The main reason, as I should think lawyers would understand better than anyone else, is to ensure the greatest possible flexibility in the use of this legislation.

I think most informed persons recognize that to define is to limit. I admit right away that a definition set by regulation could turn out to be just as limiting as a definition set by parliament, but if a definition set by regulation does turn out in day to day experience to be faulty, then it can be revised and broadened a lot faster than if it were set out by law. If, for example, we did write a legal definition of "farm machinery" into this bill, what if it overlooked three or four machines which turned up in loan applications a week after the bill became law? The only way these machines could then be made eligible would be to come back to parliament and go through the whole process of having this bill amended. Even then there would be no way of being sure that we would not run into a similar situation the week after such an amendment had been passed.

I think all hon. members should be able to see from this how much more flexible the administration of this legislation will be by leaving the definition to be set by regulation. By leaving the definition up to the administration of this legislation we are making it possible for the definition to be revised according to day by day experience, and to be revised quickly and easily.

That is the main reason for taking the approach we have. But there is also a very good precedent for taking this approach, a precedent already approved by parliament and well proven in actual operation. This is the precedent we find in the Farm Credit Act. In section 19 of the Farm Credit Act the definition of "farm equipment" is left to the regulations. I am sure all hon. members would agree that this approach has proven very successful in the Farm Credit Act, which is a good act. It was passed by the previous government, but it is still a good act and I don't mind saying so.

Mr. Chairman, I ask the committee to let us proceed in the same way with this bill. Because of the need for flexibility in this program, and because of the rapid development of new machinery, a legal definition written into this act now could seriously restrict the adaptability of the program.

Hon. members have also questioned the provision in the bill that the terms and conditions of a syndicate agreement should be set by regulation, instead of being written into the measure as law. Again we believe there are excellent reasons and excellent precedents for this approach. The most obvious reason is that this provides greater flexibility in dealing with farmers' applications for loans under this bill. But a precedent can also be found in the Farm Credit Act, again a precedent approved by parliament and well proven in actual operation. We believe this is the only sound approach we can take to ensure that the program, a new and experimental one, can be revised and improved as experience dictates.

Besides leaving the definition of "farm machinery" to the regulations the Farm Credit Act, in section 11, confers other rather extensive discretion on the Farm Credit Corporation. This discretion, which is not subject to approval by governor in council, includes the authority to prescribe the forms of mortgages and agreements which farmers make with the corporation.

I believe this was one occasion when the previous government showed a lot of common sense. I am convinced, and I am sure everyone familiar with the great variety of the farmers' credit needs would agree, that this kind of flexible approach is essential for success in any farm credit program.

This is why we have proposed that the matters to be covered in agreements under the farm machinery syndicates bill should also be left to the administrators, to the people dealing directly with the farmers.

Naturally we have given very careful consideration to the general terms which the regulations will require in the agreements. Farmers forming a syndicate will have to make provision for such items as the rights and liabilities of syndicate members, including the interest in it of each member; insurance of the property against fire, and of the syndicate against public liability; the addition of new members; the withdrawal, death, insolvency, retirement or incapacity of a member for any cause; the dissolution of a syndicate; the holding of syndicate business meetings; the election of syndicate officers; the procedures in the event of default by an individual syndicate member; maintenance and sale of machinery; keeping proper records and accounts.

These are some of the general terms. But I am sure hon. members would not want to dictate to farmers in advance every detail as to how each syndicate must organize to meet these general terms. In administering the program the Farm Credit Corporation will of course suggest various ways in which these general terms can be met. For example, suppose a member wants to withdraw from a syndicate because he has sold his farm, or does not need the machinery any longer for some other reason. The syndicate agreement could include a provision for any member to withdraw as long as he could make a mutually satisfactory arrangement with other members to take over his share of both the assets and the liabilities, or for another farmer acceptable to the other members to take his place. In other words, since he would have an equity in the net worth of the syndicate he would be able to dispose of it to the remaining members or to another farmer.

But farmers themselves might like to make other arrangements. By leaving the terms and conditions of agreements under this bill to be set by regulation, by the administrators, we provide the farmers the freedom to make any reasonable arrangements they and the corporation see fit.

I think it should be obvious that if we tried to fix, by legislation, the exact nature of agreements which the farmers should work out among themselves we would be severely restricting the program and could very sharply reduce its value to our farmers.

[Mr. Hays.]

Several hon. members have questioned the provision for joint and several liability of syndicate members. This is referred to in clause 3 of the bill. But the question of liability is also inherent in clause 2, because the syndicate agreement as referred to in this clause is in fact a form of partnership agreement with obvious liability implications.

Obviously it is essential that there be some formal agreement among farmers intending to own and operate machinery on a co-operative basis. Several approaches are possible. We could have asked the farmers to form a limited company or corporation. We could have asked that the farmers incorporate themselves as a co-operative. But either of these approaches would have involved a great deal of extra time and expense for the farmers. Either of these approaches would have been clumsy and slow. We want to cut out all the red tape we can in this program. We want to be able to handle the farmers' loan applications just as quickly as possible.

Both these approaches are obviously loaded with red tape and delay, especially for small farmers who might only want to get together to buy one or two machines. We do not mind seeing lawyers make a decent living. I have known lawyers who are very nice people. Some of my best friends are lawyers. But this is legislation for the farmers, and we have done our best to make it as simple and convenient as possible for the farmer to use.

The Farm Credit Corporation will, of course, be in a position to suggest the form of a general agreement which farmers may follow in setting up a syndicate. If a large number of farmers decide to set up a syndicate to share a large amount of machinery where a lot of money is involved they may want to hire a lawyer to help them. But in most cases we believe the farmers, in consultation with the Farm Credit Corporation, should be able to draw up the necessary agreements without legal advice.

We tried to imagine, for example what farmers in the Atlantic provinces would say if we asked them to form a company just to buy a potato planter or a potato digger; or if we asked farmers on the prairies to form a company just to buy a grain cleaner or a grain dryer. It seemed to us that the best, the simplest and most convenient approach was to require only that farmers set themselves up in a partnership agreement to borrow under this legislation.

Partnerships are regulated under provincial law, and in its lending operations under this program the Farm Credit Corporation will operate within the scope of provincial laws. It may help if I point out that farm machinery syndicates in Britain were organized by the farmers and the farmers' unions, and that the farmers themselves, after looking into this very thoroughly themselves, decided from the start that making individual syndicate members jointly and severally liable was one of the most important factors in ensuring the success of these syndicates.

We have a Reading University report on British farm machinery syndicates which says "The key to the problem of credit was the joint and several liability of the participating farmers working together in owning and operating a particular machine as a specific and restricted partnership." These British farmers saw for themselves that if they were going to work together in this way they would also have to share the financial responsibilities. I think our farmers are just as bright as British farmers and just as capable of understanding this. In fact I am sure no Canadian farmer would want to go into one of these deals unless he was sure his partners were going to have just as much at stake in the success or failure of the deal as he had.

And, after all, how much risk is this going to involve? I think hon. members should remember that ordinarily the assets of one of these syndicates will always be greater than its liabilities. These loans will cover only 80 per cent of the machinery cost from the start, so the assets of a syndicate will be greater than its liabilities from the beginning. With regular repayments slightly higher than the rate of depreciation for the machinery the assets should be worth more than the balance of the loan right through until the loan has been paid off. Furthermore, the fact that a syndicate's members know they are jointly and severally responsible is obviously going to do a lot to ensure that every member sees that the machinery is well maintained. They will all own it, and every one of them will understand very well, I am sure, that keeping it in good shape is the best way to protect their individual interest in the syndicate.

I know farmers pretty well. I don't think any of them are going to enter one of these deals without sizing up their partners pretty thoroughly. I think the judgment each farmer exercises with respect to his prospective partners will probably be the best guarantee we can have that these syndicates will be a success.

In other words, Mr. Chairman, after the most careful consideration the government feels certain that the joint and several liability provision will not present any problem to any individual farmer wanting to take part in one of these loans. In fact we think this provision might easily prove to be one of the essential factors in the success of this program by offering some real encouragement to syndicate members to work together and solve in a friendly, neighbourly way whatever problems might come up.

Trying to limit the liability of an individual member to only his individual share in the syndicate poses some serious problems of administration. It would involve far more red tape both for the corporation and for the farmers. It could also open the way to bad situations among members of a syndicate. If something happened to make one member decide he wanted to get out, for example, he could be in a position to tie up all the assets of the whole syndicate if there were only limited individual liability. The corporation, to protect the interests of the taxpapers in recovering these loans, might have to seize the machinery because of bad faith by only one member.

In other words, limiting the liability as suggested by some hon. members could put one individual syndicate member in a position where he could keep all the other members from continuing to use the machinery. By making all syndicate members equally liable no individual member will be in a position to spoil it for the others, if by any chance this kind of a situation did arise. The remaining members could assume the share in both the liability and the assets of a defaulting member, and in this way protect their investment with the least possible trouble.

There could be another real benefit from taking the approach to syndicate liability proposed in the bill. It could very well help some farmers benefit from this type of credit who would not be able to qualify for credit on their own. Consider, for example, the case of a young farmer who has used up all his personal credit in order to get started in farming. His neighbours, who may be well established farmers, know him personally and have a high regard for his ability and integrity. They may be perfectly willing to join with him on a promissory note for one of these loans because they know him. And, because of the faith shown in him by his

better-off neighbours, through their willingness to back his credit, the corporation could grant him credit for which, on his own, he would not qualify.

In concluding my remarks on this point, Mr. Chairman, I would like to refer to a suggestion by the hon. member for Acadia that we should not be asking for a promissory note under this bill because it is not required under the Farm Improvement Loans Act. The hon. member is as well informed on this as he is on other matters. Section 9 of the farm improvement loans regulations states very clearly that a promissory note shall be made for a farm improvement loan. In fact, as anyone who has ever borrowed from a bank should know, it is common banking practice to require a promissory note from any borrower. I think I should also point out that when two farmers join to obtain a farm improvement loan to buy machinery, they are held jointly and severally responsible for repayment of the loan.

Mr. Chairman, I feel sure we can satisfy any further objections raised by hon. members as the committee continues its examination of this bill. I appeal to all hon. members that they then let this bill pass and give the farmers a chance to try this out. Let us give our farmers a chance to test this new program in action. The farmers of this country are the only ones who can put this bill to the real test.

Mr. Baldwin: We have all listened with great interest to what the minister has just said. I am afraid if the answers and explanations he will be asked to give later on are no better than those he has just given, the bill is likely to encounter considerable difficulty.

I wish to take up the first point the hon. gentleman made. I speak not only as a lawyer—I plead guilty to that charge—but as one who farmed actively for eight or nine years before I became a member of this house. That was at a time when it was necessary to be a lawyer or an auctioneer to have enough money to be able to carry on farming operations.

The reasons given by the minister for not spelling out in detail, as far as possible, the meaning of what is contained in this legislation are the same as have been advanced year after year by officials of provincial and federal governments. They say, in effect "We know best. Leave it to us. If changes are required we will make the changes." I do not deny there are certain occasions in this complex and fast moving world when it is necessary to have power to make regulations as far as the machinery of legislation is concerned. Nevertheless, other considerations should apply to the basic essentials.

The minister has referred to clauses 2, 3 and 9; I hope I will have the same latitude accorded to me. With regard to these provisions I say that more than regulations are necessary. Even if this were the best government in the world—and we on this side, at any rate, have some doubts about that—I did not come here to allow the views of the government to be substituted for my own. I must say I have a good deal more confidence in the Farm Credit Corporation than I have in the government. My experience with that body has been excellent. The way they have operated, the co-operation I have received, and the way in which they have dealt with farmers has been such that I have a considerable amount of confidence in them. But I was not elected as a member of parliament to give this government a blank cheque for $25 million when the very basic essentials which comprise the heart of this legislation have not been clearly shown to us. This is where I make my stand.

I recognize that it will always be the function of the executive to initiate legislation, to bring it forward. This is not the function of a legislative body. It is for us to examine and analyse the legislation to see that it is complete, that all the essentials are there to make the legislation effective, worthwhile, and do that job it is supposed to do. I have strong doubts as to whether this is the situation here.

Let us look, for example, at the clause in question. I refer to clause 2. It says under (a):

"Corporation" means the Farm Credit Corporation;

I have no objection to that. Then it says under (b):

"farming" includes livestock raising, dairying, fruit growing and all tillage of the soil;

The minister did say the last time this matter was before us that this was the same definition that appears in the farm credit bill. I think he will admit that this is not correct; that the words "bee keeping" were added, and there is this distinction. However, that is a minor point and I do not stress it too much. Then (c) says:

"farm machinery syndicate" means an association formed (i) by an agreement in writing, approved by the corporation—

The type of association, the type of partnership, is going to be carefully fixed

by the terms of this agreement. I quite agree with the minister when he says we should not expect parliament to spell out in complete detail all the fine print in such an agreement, but I do suggest it is essential for the government to say at this time what are the basic requirements they will insist upon so far as this agreement is concerned. This must be brought forward and demonstrated, bearing in mind that there is a basic distinction in this country between the common law provinces and the province of Quebec. I think this is a very important consideration which no parliament of Canada can afford to disregard at this particular time in the history of this nation. This clause says:

"farm machinery syndicate" means an association formed

(i) by an agreement in writing, approved by the corporation—

I am not content to let the Farm Credit Corporation approve in detail all that is going to be in this agreement. I suggest it is essential that the government should say "Here are certain minimum basic essentials which should be in the agreement", and spell them out, leaving it for the farmers themselves, as the minister pointed out, to fill out the rest of it. There are a great many details which will be peculiar to the nature of the transaction, to the nature of the farming being carried on, to the geographic situation where the farming operations are, which will be reflected in the agreement. But, Mr. Chairman, there are basic essentials which should be there and which it is the duty of the government to bring before us and say "We are asking that these be included in every agreement." Clause 2 (c) says:

(i) by an agreement in writing, approved by the corporation, between not less than three individuals

(A) who are engaged in farming independently of one another or who are members of a co-operative farm association—

I ask the minister now, does this mean that a syndicate can be composed of three or more people who are taken from a co-operative farm association, as defined by regulation? Does this mean that the co-operative farm association will be the syndicate; or does it mean that in order to qualify the individuals to fix their capacity and thus engage in a venture of this kind they must be members of a co-operative farm association? I ask the minister to consider this point carefully, because it is not made clear in the bill. I may be unable to see it, but it is not clear to me. Does it mean three individuals who are member of a co-operation farm association? Is it the three individuals who then comprise a syndicate, or is it the co-operative farm association which comprises the syndicate? Possibly the minister might like to answer that question before I proceed.

Mr. Hays: Mr. Chairman, they can belong to a co-operative or a limited company. The three members making up the syndicate could belong to other organizations. However, the three particular members who wished to purchase machinery under this bill would be the syndicate.

Mr. Baldwin: The minister, then, takes the position that you could take out of a farm co-operative association five members who would together form a syndicate. The syndicate would then be a separate entity and would have no relation at all to the co-operative farm association. Is that correct?

Mr. Hays: That is right.

Mr. Baldwin: If I am correct in this, then why in the name of heaven was it necessary to say "who are members of a co-operative farm association"? All you needed to say was "three individuals who are engaged in farming independently of one another". Perhaps I am reading into this something that is not there, but I simply cannot see the necessity for this inclusion. It seems to me to be superfluous.

Mr. Hays: They have to be farming independently. They could belong to a corporation that was not in the business of farming.

Mr. Baldwin: Then why was it necessary to put into this clause the words "who are members of a co-operative farm association"? If they are three or more individuals who are engaged in farming independently, why do you need to add "who are members of a co-operative farm association"? Surely if they are members of a farm co-operative association they are farmers and they are farming independently?

Mr. Hays: In this bill we do not say they are farming independently; we say that the syndicate must be made up of independent farmers. They could belong to an association and five of them could form a syndicate. But their main business is farming; in fact their business is farming.

Mr. Baldwin: Then the minister does envisage a situation where there is a farm co-operative association the members of which engage in farming on a co-operative basis.

They are not independent, in this case, as is suggested in the first part of this clause?

Mr. Hays: That is right.

Mr. Baldwin: Then I submit you have this very difficult result. You might have five men forming a syndicate, who in one of the aspects of the farming operation are members of an association probably formed pursuant to provincial law and regulation; but at the same time they are members of a syndicate formed under this bill. I suggest this could lead to very considerable anomalies with regard to the very basic essential of a farm co-operative association formed under provincial law. I assume the government intends to permit provincially formed co-operative farm associations to come under this legislation. But the basic essential there is limitation—

Mr. Douglas: I took it from the minister's remarks that they did not.

Mr. Baldwin: Then perhaps the minister would reply to that point.

Mr. Hays: There are very few co-operative farmers. We thought about this. We realized there might be some problems, but at the same time we think that in the initial stages we should stay with the idea that three individual farmers or more can form a syndicate. They could belong to any sort of organization, but when they become a partnership within the meaning of this bill they can buy machinery as a group to work among themselves. We think this is the way it should be in its initial stages.

Mr. Baldwin: I think the minister does contemplate, then, that this type of farm marketing association could be one initially formed under provincial law; but if three or more members desire to set up a separate entity and become a syndicate within the meaning of this particular bill, No. C-121, they will have the right, if they pass all the other requirements, to come in and be eligible for a loan pursuant to the provisions of this bill.

If I am correct in this you will have a situation where under provincial law these people deliberately belong to or join a farm co-operative association which has certain limiting conditions attached to it. They join it for definite reasons. One of the reasons is that there is a limitation on their liability. So you will find that in the one aspect of their agricultural business they are doing business as a co-operative farm association with a limitation on their liability; on the other they are a syndicate under this bill jointly and severally liable for the full amount of the moneys borrowed under this legislation. That is where I think anomalies are created. The minister can deal with this point later on if he sees fit.

I should now like to repeat certain points which were referred to by hon. members on September 29 when this particular clause was being considered. Initially provincial governments are charged with the responsibility of dealing with limited companies, co-operative associations and co-operative farm marketing associations. That fact does not preclude the federal government, in respect of matters which fall under its jurisdiction, from allowing the formation of joint stock companies and associations. However I think the minister and the government are going to run into a considerable amount of difficulty, as was pointed out on September 29, in respect of questions dealing with the capacity of members of the association, the rights of transfer, the rights of transmission of shares and voluntary and involuntary assignments when a syndicate breaks up in one way or another. It may break up voluntarily or involuntarily. There may also be difficulties because of an association or a syndicate incurring a charge which would make the balance of the members responsible. What is the right of one or two members to pledge the credit of the syndicate? There might also be difficulties in respect of bylaws, officers and meetings.

If one takes a combination of the agreement which is referred to in clause 2 (c) (i), together with the type of association which will be defined by regulation of farm marketing and co-operative marketing associations, he may well include within the four corners of these two essential aspects of the syndicate certain types of programs, associations or syndicates which are in direct conflict with provincial law. This situation was pointed out by the hon. member for Pontiac-Témiscamingue. I can envisage a situation where one might find a type of agreement brought to the corporation and accepted by the corporation which is in direct conflict with the laws of a certain province.

Just before lunch I had occasion to look at the co-operative association act and the societies act of the province of Alberta. They are both very complex and lengthy pieces of legislation, and I can envisage situations arising where there might be this kind of conflict. It seems to me the minister might well give consideration to what has been

proposed—not spelling out in complete detail what will be included in the agreement, but at least stating that there shall be certain essential ingredients and that no syndicate formed pursuant to this measure shall be of a nature such as to be in conflict with the laws of any province.

Those two simple alterations might well meet some of the objections that have been raised. I admit that in so far as the definition of farm machinery is concerned, the language of this bill may be adequate. I do not think there will be any difficulty in that respect alone, but if that language stood by itself I would be perfectly willing to leave to the discretion of the Farm Credit Corporation under the supervision of the government the fixing of definitions from time to time. However, when one considers that situation, together with the type of agreements under which a syndicate is to be formed, and the definition of farm co-operative associations, indicating the type of association from which members may come to form a syndicate, in my submission we are placing too great a responsibility in the hands of the government. I cannot stand idly by and permit that to happen. I feel that I would be abdicating my responsibility as a member in delegating to the executive a function which we as a legislative body should exercise. I hope before we reach our consideration of clause 9 of this bill, which is the clause in respect of which I have indicated I intend to propose an amendment, the minister will give some further consideration to what has been said by myself and other hon. members.

Mr. Hays: Mr. Chairman, perhaps I might answer one or two of the questions raised in connection with provincial laws. Though not in detail, I have raised these questions on two occasions with the provincial ministers of agriculture. I can assure hon. members that we would not do anything that was not in keeping with provincial law. I have a great deal of respect for the hon. member who has raised these questions, and I can assure him that we have gone into these things very thoroughly. We think that in so far as this act is concerned, at least in the initial stages, we should go ahead on the basis of this bill.

We have considered co-operatives that are engaged in farming, as well as other business enterprises which are free to go to the industrial development bank, where they have limited liability and that sort of thing. This bill is designed after the British syndicates bill; which was drafted as a result of the wishes expressed by farmers and farm unions, and they felt that these syndicates would operate best if the members were severally and jointly responsible. There was a great deal of flexibility in so far as the regulations were concerned at least in the initial stages.

Mr. Baldwin: May I just make one comment. The British government operates under a unitary system and is not bothered with problems of division of responsibility.

Mr. Hays: I realize that fact.

Mr. Douglas: Mr. Chairman, may I ask the minister a question before he leaves that point? Do I understand from what the minister has said that a farm co-operative association cannot, as an entity, come under the provisions of this act?

Mr. Hays: That is right.

Mr. Douglas: Individual members of such a co-operative association can separately form a syndicate and take advantage of the benefits provided by this measure, is that right?

Mr. Hays: That is right.

Mr. Douglas: A co-operative association itself cannot come under this legislation?

Mr. Hays: No.

Mr. Douglas: In that event, why under clause 9 is the corporation, with the approval of the governor in council, allowed to make regulations, as stated in paragraph (b), for co-operative farm associations? Why does this have to be defined by order in council if a co-operative farm association cannot become a syndicate and obtain the benefits of this act?

Mr. Hays: I will have to ask you to repeat your question, as there were several people talking at once.

Mr. Douglas: Since a co-operative farm association cannot as a legal entity come within this act for the purpose of obtaining the benefits provided therein, why is it necessary under clause 9, paragraph (b) to give to the corporation, with the approval of the governor in council, the power to make regulations defining a co-operative farm association?

Mr. Hays: My officials point out that clause 2, paragraph (c) (i) (A) refers to those—

—who are engaged in farming independently of one another or who are members of a co-operative farm association, as defined by regulation, and

(B) the principal occupation of a majority of whom is farming, and

(ii) for the purpose of purchasing farm machinery for use primarily by members of the syndicate;—

Clause 9 of the bill gives authority for regulation in this regard.

Mr. Douglas: Why make regulations regarding co-operative farm associations if they cannot come within the act? It does not make any difference to the Farm Credit Corporation whether the three individuals making application farm separately, or what kind of farm association they belong to.

Mr. Hays: Mr. Chairman, as everybody realizes, of course, I am not a lawyer. However we told the Department of Justice the job we wanted to do, and when they sent back the draft legislation I went over all these points. They say that this takes care of the situation. If there are too many words or something like that, then I am at a loss to know why they were put in there. But the idea is that a co-operative shall not be entitled to use this legislation, although three or more of its members will be able to form a syndicate to purchase machinery under this legislation. This legislation provides that members of a co-operative will be able to do this sort of thing. That is the way I understand it.

Mr. Douglas: All I should like to say is that I think it is a great pity that the co-operative farm associations cannot come under this legislation. When the minister says they can go to the industrial development bank and borrow money I should like to know how many co-operative farms operating in this country have been able to borrow money from the industrial development bank. They might be able to borrow money under the Farm Improvement Loans Act or they might be able to borrow money from the Farm Credit Corporation for the purchase of land, but borrowing money from the industrial development bank is not easy for a co-operative farm group.

I think it is a great pity that the minister should shut them out. There are not many of them, as the minister says. There are between 25 and 30 in the province of Saskatchewan and there are a number of communal farms, such as the Hutterites and other such groups, which have set up a different type of co-operative farm. It seems to me that to bar them from coming under this legislation and make them act as individuals so that there are two entities on the farm, one the co-operative farming association itself and the other a syndicate buying machinery, is unnecessarily complicating the situation. I think these co-operative farms would get a great deal of use out of this legislation.

The same is true of co-operatives that have been organized for the co-operative use of machinery. I know that in the province of Saskatchewan there are between 300 and 400 co-operatives for the co-operative use of farm machinery. There are farmers who are already co-operating in the use of machinery which they have bought on a co-operative basis, and I take it they would not be allowed to come under this legislation if they applied as a legal entity. Again they would have to break up their organization and apply separately. I think the minister will find he has left out a very important group when he has shut out co-operative farms and groups of that kind.

While I am on my feet I should like to say that I think clause 2, the interpretation clause, lacks a great deal in terms of definition, and that too much power has been placed in clause 9 of the bill which gives the governor general in council power to make regulations providing the terms and conditions that a syndicate agreement must contain. This virtually means that by order in council the government is going to determine the terms and conditions under which people may form a syndicate. It seems to me that is legislation by order in council to the nth degree. Power is also given to define by order in council what the expression "farm machinery" means and what the expression "co-operative farm association" means. I would have thought these were definitions that should be in the interpretation clause—

An hon. Member: Pass now, draft later.

Mr. Douglas: —rather than leaving this to be done by order in council. I think this is a dangerous precedent for the government to seek and for the House of Commons to establish. I had hoped that the minister would put some of these definitions in clause 2 rather than leaving them to be made by regulation.

Mr. Hays: In reply to one question, no co-operative farm is being prohibited from using this legislation just because it is a co-operative farm. Individually they may use it and if they are farming separately they can use it. This was the sole purpose of the act. It was designed for the family farm right across Canada. I think there is some merit in the point the hon. member has raised but I think we would do better in the initial stages to confine the legislation to

individual farmers in syndicates of three or more.

With regard to the second question the hon. member asked, I would point out that clause 3 (a) of the Farm Credit Act regulations provides as follows:

> For the purposes of the act and these regulations "co-operative farm association" means a co-operative association incorporated under the legislation of any province, the members of which are principally engaged in farming and the principal object of which is the carrying on on a co-operative basis of an enterprise devoted to production of agricultural products.

It is defined in the regulations under the Farm Credit Act, and in this case it will also be defined in the regulations.

Mr. Douglas: Is that definition in the act or in the regulations?

Mr. Hays: It is in the regulations.

Mr. Douglas: I do not want to labour the point but the minister said that anybody in a co-operative farm association—

The Chairman: Order. Is the hon. member questioning the minister on the same point?

Mr. Douglas: Yes, the same point. I want to say one word on it. I do not want to labour it. The minister says that people in a co-operative farming association can come under this legislation but they must do so individually.

Mr. Hays: That is right.

Mr. Douglas: I simply point out to the minister that if he had allowed them to come in as a legal entity it would have saved them and the government a good deal of work. Let me take the Matador co-operative farm association as an example. It is composed of 20 young veterans from the last war who set up a co-operative farm association. They have a very successful operation. This group is accustomed to carrying on all their business as a co-operative. The selling of their farm produce, the buying of their supplies and all their other activities are carried on on a co-operative basis. To become eligible under this legislation either all 20 of them must form a syndicate and apply or four or five of them must form a syndicate and apply. They would be operating two organizations, two different legal entities, one a co-operative farming association and the other a farm machinery syndicate, with two different sets of books and all the complications which it seems to me could have been avoided, simply by saying that a co-operative farm association might apply to come under this legislation as an entity and be considered a syndicate for the purposes of this act.

Mr. Nasserden: Mr. Chairman, I have some remarks with regard to other matters, but I think the answer to the question that has been discussed during the last few minutes is found in the words "who are engaged in farming independently of one another or who are members of a co-operative farm association, as defined by regulation". I do not think there would be anything to prevent a co-operative farming group applying. They already have the set-up that the minister is requiring of other farmers. There would be nothing to stop them from doing so.

However, the thing that intrigues me about the bill is that it discriminates against the individual farmer. I suspected this when we were discussing it before and over the week end I called together a bunch of farmers in my constituency. We went over the bill and they pointed out one thing to me. If I understood the minister's answer correctly, at the present time a farmer can secure $15,000 under the Farm Improvement Loans Act as well as certain things under the Farm Credit Act, and this legislation is not supposed to have any effect upon whatever interest a farmer may have under these other pieces of legislation. Is that correct?

Mr. Hays: Yes.

Mr. Nasserden: Then the minister is saying to the farmers of Canada: As an individual you cannot secure any more credit to buy farm machinery unless you go together with your neighbours. That is discrimination against the individual farmer in the purchase of farm machinery. The minister says that at least three farmers have to come together and form a syndicate. An individual farmer, if he desires to buy a piece of farm machinery, cannot secure the $15,000 extra. This, in my opinion, goes against the grain of the thinking in western Canada at least. I will let the members from other parts of the country speak for the farmers in their area.

I see the minister is laughing. He finds it very amusing. I wonder if he would tell us if that is the intention?

Mr. Hays: I would be glad to do so. We have just completed a measure to increase the amount that could be borrowed under the farm improvement loans measure from $7,500 to $15,000. A farmer can now borrow up to $15,000 to buy machinery. I do not believe we are discriminating so far as this is concerned. Two farmers can join together and borrow $30,000 or three of them could bor-

row $45,000, aside from the fact that three farmers can join together to form a syndicate and borrow $45,000 under this measure. Evidently the hon. member is suggesting we should have increased the farm improvement loans to $30,000.

Mr. Nasserden: This is what you are doing for farmers who join together; each one can get $15,000 and three of them could get $45,000, and then they can borrow under the farm improvement loans measure and get another $45,000. Individual farmers cannot do this.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): The hon. member for Burnaby-Coquitlam raised a question about 20 veterans in a co-operative being unable to obtain a loan under this measure because they had formed a co-operative. Is it not correct that these 20 members could form a number of syndicates and thus borrow an aggregate amount that would perhaps be greater than the total amount available to a co-operative of 20 men?

Mr. Hays: They could do exactly as the hon. member suggests. They could form a syndicate of five or six and borrow up to $75,000. Then another five could form a syndicate and do the same thing. As long as they form a syndicate, the 20 men are not barred from borrowing under this measure.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): There would be considerably more available to them, isn't this correct?

Mr. Horner (Acadia): If I might proceed one step farther—

The Chairman: Order; I am sure there are many hon. members who want to speak on the same point and there have been five or six members who have risen within the last few minutes. Perhaps therefore I should recognize the hon. member for Kootenay West.

Mr. Herridge: Thank you, Mr. Chairman. I listened with great interest to the remarks of the minister and his further explanation. It seems that we get explanations on the instalment plan during this debate. I believe it would have been much better if the minister had made a complete statement at the resolution stage. I listened with interest also to the remarks of the hon. member for Peace River because I believe he always makes a contribution to the debate, whether or not I agree with him. I thought he raised some worthwhile points.

It seems that the two points at issue are the question of co-operatives being able to borrow under the terms of this bill, as mentioned by the hon. member for Burnaby-Coquitlam, and the regulations. I believe any co-operative or farm organization should be able to borrow under this bill because, for instance, co-operative fruit growers might wish to buy a spraying machine or something of that nature. Then there is the question of the regulations, and this is causing some concern. I can well understand it.

I want to say that I am sympathetic to the principle of this bill. I recognize it is experimental legislation. Since the measure was first introduced I have done some reading on this question, particularly over the week end. I find that this type of legislation has been of benefit to farmers in other countries, and I can see that it could be of particular benefit, if we get the proposed amendments, to farmers I represent and others. Over the week end I was reading from *World Crops,* volume 2, in which there is an article dealing with farm machinery syndicates. I quote:

> This is an account of the organization and operation of farm machinery syndicates in Britain, which will be of immense value to small holders, market gardeners and small farmers in other countries.

The article goes on to deal with the first organization of farm syndicates in Hampshire, which happens to be the county from which I came. It says:

> The articles of association of Syndicates Credits Ltd., a non-profit making company, limited by guarantee and having no share capital, were drawn up for the Hampshire branch of the national farmers union and incorporated on June 8, 1955.

The article mentions that the legislation has been a great success and that the movement spread from Hampshire to several counties in England.

I was reading also from *Scottish Agriculture,* and there I saw a very interesting article which dealt with the question of regulations, the type of agreement, and so on. I am going to refer to this article and ask the minister if he has in mind regulations patterned somewhat along the lines of the regulations mentioned here. It appears that the legislation was passed in Britain, and then regulations were based on regulations surrounding a model agreement and model rules—I believe that is the term they used. I read them with interest. It mentions here that the syndicate has to get approval of the model agreement and rules by the department of agriculture and fisheries for Scotland. This approval was sought because of their interest in applications for building grants for machinery syndicates. Then, I quote:

There are two documents involved in the formation of a machinery syndicate, and both have been kept as simple as possible. A summary of these is given below.

I am going to mention the headings, and then I should like the minister to reply to a question I shall raise in this connection. Reference is made to the model agreement and the headings mentioned are: registered name and number; objects; membership; maintenance, use and disposal of plant; death or retirement of a member; dissolution; registration; evaluation of assets; arbitration; alteration of agreement; copies of the agreement, to whom they are distributed and so on.

Then, we come to the question of model rules, and these are rules with which I was particularly impressed. I was impressed with the care that had been taken in drafting them. I quote from the article:

The nature of the model rules will vary according to the type of machine, but every syndicate must formulate the basis of apportionment to members of the capital investment, maintenance costs and the use of the machine.

The article goes on to deal with the application of these model rules. I presume under these circumstances these are in the nature of regulations that affect the acts that have been passed in Great Britain and Scotland. My question is, what has the minister in mind with reference to the regulations and the model rules to which I have just referred? I do not know if his officials have studied these. Although I realize administrative details cannot be provided, I feel the members of the committee should have a clear understanding of what the regulations are going to be. It is for this reason I have raised this question, and I should like to get the minister's answer.

Mr. Hays: As I said earlier, Mr. Chairman, naturally we have given very careful consideration to the general terms which the regulations will require in the agreements. Farmers forming a syndicate will have to make provision for such items as the rights and liabilities of syndicate members, including the interest in it of each member; insurance of the property against fire, and of the syndicate against public liability; the addition of new members; the withdrawal, death, insolvency, retirement or incapacity of a member for any cause; the dissolution of a syndicate; the holding of syndicate business meetings; the election of syndicate officers; procedures in the event of default by an individual syndicate member; maintenance and sale of machinery, and keeping proper records and accounts.

We hope to distribute to farmers examples of the regulations which are in force in other countries at a time when they are forming a syndicate, for their consideration before they submit the terms of their syndicate to the Farm Credit Corporation for approval.

Mr. Douglas: The very list which the minister has read out as to terms of an agreement points out how impossible it would be to do the things he suggested a few moments ago. He spoke of a co-operative of 20 members which could break into four or five groups, each forming a syndicate. It is true that each group could then borrow more money, but what would be their position? Keeping the records of performance and carrying insurance would have to be done by each of the separate syndicates on a co-operative farm, and just imagine the confusion you would get if you had 20 men farming together, using syndicate machinery indiscriminately, so that one man on a co-operative farm might be driving machinery that did not belong to the syndicate of which he was a member, but rather to another syndicate on the farm.

If these 20 men are going to own this machinery co-operatively they have to own it as a legal entity. They cannot own it as four separate legal entities and keep all the records in four syndicates, with their co-operative association handling the machinery on a co-operative basis.

If the Farm Credit Corporation has made any study at all of the operations of these co-operative farms—and some of them have been in business for 15 to 16 years—if it has studied their business methods it should realize that under the provisions of clause 2(2) co-operatives are virtually eliminated from the provisions of this legislation. I believe the minister would be well advised if he added to the words in (A) where it says, "who are engaged in farming independently of one another," the words "or a co-operative farm association," in place of the words, "or who are members of a co-operative farm association." This would allow a co-operative association itself to apply to the Farm Credit Corporation for permission to become a syndicate. It would mean that the people who were operating the machinery, handling the insurance and keeping the books on it would be the syndicate, rather than having three or four syndicates on a co-operative farm, all trying to keep separate books despite the fact that they were jointly using the machinery.

Farm Machinery

Mr. Lambert: Has the minister consulted with the Minister of National Revenue regarding the tax position of a co-operative? A co-operative occupies a particular position with regard to taxes, but if it is eliminated from the operations of this legislation as a co-operative, and its members are forced to operate as syndicates, involving legal implications as to expenses and what have you, will it still be deemed to be a true co-operative, or will its members be deemed to be acting as individuals, thereby losing the value of their co-operative status? This is a narrow implication, and certainly not one that is on the side of agriculture, and it may go to the point of destroying that particular position of advantage that co-operative agricultural organizations may have.

Mr. Hays: The intent was that there would be no profit so far as a syndicate was concerned. Its members would be taxed as individuals. This is experimental legislation and we welcome all these suggestions, but we have to creep before we run. This was a point we discussed and we did consult the Minister of National Revenue. We were of the opinion that, so far as taxes are concerned, a syndicate in all probability would be a non-profit organization, with its members being taxed as individuals, the same as with any other partnership.

Mr. Douglas: On that point, since some of the members need not be farmers I take it these syndicates will do custom work?

Mr. Hays: They all have to be farmers. The majority have to have farming as their main livelihood, but they all must be farmers. However, they can lease equipment to another farmer, or anyone to whom they see fit to lease it.

Mr. Lambert: You can be a five acre farmer then?

Mr. Hays: That's right.

Mr. Douglas: The clause says, "the principal occupation of a majority of whom is farming." This means there are some who need not be farmers?

Mr. Hays: No, they must be all farming. The majority must be bona fide farmers. For example, there may be a young fellow 21 years old who decides he wants to farm and he has a quarter or a half section of land. He has no buildings on it, and has a job in town. Such a young fellow could be included in a syndicate, although ordinarily he would not be called a bona fide farmer.

Mr. Douglas: I hope the minister is right in his interpretation. It says, "the principal occupation of a majority—

Mr. Hays: Must be farming.

Mr. Douglas: —is farming." What about the minority? Are they non-farming? Are they businessmen?

Mr. Hays: They all must be engaged in farming. It says in (A), "who are engaged in farming independently of one another or who are members of a co-operative farm association, as defined by regulation—" and these are given in clause 9—and then in (B) it says, "the principal occupation of a majority of whom is farming."

Mr. Douglas: I take it all these syndicates would not be doing custom work?

Mr. Hays: They could well do custom work. If three farmers organized together as a syndicate to purchase farm machinery, and they had a neighbour they thought it better not to have as a member of the syndicate, they could well do his custom work.

Mr. Douglas: And what is their taxation position then? Would the revenue members get from a syndicate be subject to taxation.

Mr. Hays: I would leave that up to the Minister of National Revenue.

[*Translation*]

Mr. Martineau: Mr. Chairman, just a few words to say that I agree with the remarks of the hon. member for Peace River (Mr. Baldwin), especially with regard to the constitutional aspect of clause 2.

I wonder if the minister would have any objection to the addition, after paragraph (c) at the end of subparagraph (A), of the words:

All, according to the provisions of provincial legislation in such case made and provided.

The reason for that request is twofold.

First, the instance given by the minister to the effect that there is a similar British precedent or legislation in effect, is not valid under our federal system.

Second, I know that under the constitution, and although the federal government has concurrent jurisdiction in agricultural matters, the federal government has no residual jurisdiction as far as civil and property law is concerned, and this bill deals with civil and property law.

It would be a safeguard quite easily added to the bill and which, in my opinion, would make it more acceptable to the advocates of provincial rights.

I should like also to deal with another question, namely that of liability. I suggest that the legislation, as drafted, does not set any limit as far as liability is concerned. In other words, should a farmer become a member of this co-operative or syndicate that is mentioned in the legislation, he is liable not only up to the amount of his contribution but, in view of the fact that the liability is joint and several, he is liable up to the total amount of the loan and even beyond the amount to which he has committed himself. In other words, he becomes liable in case of insolvency on the part of his partners for more than the amount he has subscribed to personally, as he also becomes liable for the costs. Further, in the event of the death of one of the members of the syndicate, a very precarious and even unjust situation would arise for the widow and the dependants or the children of the deceased.

It seems, therefore, that the suggestion made by the hon. member for Peace River (Mr. Baldwin), and by the hon. member for Burnaby-Coquitlam (Mr. Douglas), to the effect that the loan should be granted to a syndicate and not to individual farmers would be preferable because, in this way, the already existing syndicates could take advantage of the legislation; in addition, the farmers who would sign up or become members of the syndicate would not incur any personal liability.

As the clause now stands, a farmer who, in good faith, becomes a member of this syndicate, is exposed to having, some time or other and especially when he least expects it, to face a request for reimbursement which could easily break him.

In my opinion—the minister has himself admitted that this legislation is in its experimental stage and that before running we should learn to crawl—it is up to the government to introduce legislation which is of real benefit to the farmer and which does not expose him to incurring financial losses at a later date.

I feel that these suggestions are relevant to this clause and that the minister should consider them carefully. And I submit that he should now move the amendment suggested by the hon. member for Peace River.

[*Text*]

Mr. Hays: We checked this with the Department of Justice and they assure us there is no infringement as far as civil rights are concerned.

In my opening remarks I thought I had explained our position with regard to the other question which the hon. member raised. I will repeat them for the benefit of the hon. member.

These loans will cover only 80 per cent of the machinery cost from the start, so the assets of a syndicate will be greater than its liabilities from the beginning. With regular repayments slightly higher than the rate of depreciation for the machinery, the assets should be worth more than the balance of the loan right through until the loan has been paid off. Furthermore, the fact that a syndicate's members know they are jointly and severally responsible is obviously going to do a lot to ensure that every member sees that the machinery is well maintained. They will all own it and each one of them will understand very well, I am sure that keeping it in good shape is the best way to protect his individual interests in the syndicate.

I know farmers pretty well. I don't think any of them are going to go into one of these deals without sizing up their partners pretty thoroughly. I think the judgment each farmer exercises with respect to his prospective partners will probably be the best guarantee we can have that these syndicates will be a success.

This was proven with regard to the syndicates in Britain. After the most careful consideration the government feels certain that the joint and several liability provision will not present any problem to any individual farmer wanting to take part in one of these loans. If another course were followed it might open the way to bad situations occurring among members of a syndicate. If something happened to make one member decide he wanted to get out, for example, he could be in a position to tie up all the assets of the whole syndicate if there were only limited individual liability. The corporation in recovering these loans to protect the interests of the taxpayers might have to seize the machinery because of bad faith by only one member. In other words, limiting the liability as suggested by some hon. members could put one individual syndicate member in a position where he could keep all the other members from continuing to use the machinery. By making all syndicate members equally liable no individual member will be in a position to spoil it for the others if by any chance this kind of situation did arise. The remaining members could assume the share of both the liabilities and the assets of a defaulting member and in this way protect their investment with the least possible trouble.

There could be another real benefit from taking the approach to syndicate liability proposed in this bill. It could very well help some farmers benefit from this type of credit who would not be able to qualify for credit on their own. I went on to explain circumstances in which a man might participate in a syndicate when ordinarily he would not be able to raise $15,000 under the terms of the Farm Improvement Loans Act.

Mr. Martineau: I thank the minister for his answer. But what would be the situation if, of three farmers forming a syndicate, one died and the other became insolvent? Would the third party be responsible for the entire debt? The minister told us that the assets would probably cover it. But he knows that the value of machinery depreciates considerably once it has been sold, simply because it has been bought and become second hand. In addition, the price which would be realized in a forced sale would probably be very low. Would the third party in such a case remain entirely responsible for the debt, the interest, and so on?

Mr. Hays: In the event of such a thing happening there would, in the first place, be a farm to be managed or disposed of, and I suppose that whoever was responsible would likely want to continue to use this machinery for some time. After all, we are dealing here with neighbours who are very close as far as these operations are concerned. Under the arrangements made to govern the British plan, such a situation as this was covered by the agreements. The hon. member for Cariboo suggested it should probably be taken care of by insurance, and we are looking into this possibility to see whether this can be provided for under the regulations.

I know such problems as these will arise. We shall have to deal with them as we come to them. But it seems to me the people who would be responsible for the farm of the deceased would want to share in the use of the machinery, and it seems likely that those concerned would wait to see what happened. Probably the syndicate would take in a third or fourth member.

Mr. Martineau: Is it not a fact that there is nothing in the law as it stands which would offer protection?

Mr. Hays: These situations would have to be covered in the agreement, I suppose. Knowing farmers as I do, it seems unlikely to me that they would overlook these things. I am sure they would be taken care of in any agreements passed by the officials of the corporation.

Mr. Forbes: Mr. Chairman, may I ask the minister one question for clarification. Can a farmer who has obtained the maximum Farm Credit Corporation loan of $55,000 and also a farm improvement loan of $15,000 be eligible for a further $15,000 loan as a member of a syndicate under this act?

Mr. Hays: Yes, that is so.

Mr. Forbes: I hope the minister realizes that this is a total amount of $85,000, which is a considerable amount of credit for any one individual.

Mr. Nasserden: Mr. Chairman, I wonder whether the minister would indicate if he would consider bringing forward an amendment to make available to an individual farmer the same type of credit that is available to a group organized as a syndicate under this measure?

Mr. Hays: No, not at the moment.

Mr. Nasserden: Could the minister give me the reason why he does not want to do that, Mr. Chairman? Surely there must be some reason for it.

Mr. Hays: The individual, of course, can borrow up to $15,000 under the Farm Improvement Loans Act; and this is twice as much as was the case three months ago. This particular bill is designed to help groups of farmers to buy machinery that ordinarily they could not afford to buy, which machinery can be used among themselves and would ordinarily only be used for ten days, 15 days or so in the year. We have spelled out the sort of equipment that can be purchased under this bill. This is what this particular measure is designed to do.

Mr. Nasserden: I have no objection to the minister doing it that way, except that he is discriminating against the individual farmer. You are forcing farmers to join together in order to secure this additional loan, and it is additional to what the individual farmer can secure. I think this is a very serious discrimination and is one that will concern not only farmers but farm organizations across this country.

Mr. Leboe: Mr. Chairman, with regard to the last speaker's objection, it must be realized that the amount of money that is borrowed must be related to the ability to pay back. It seems to me that the whole intent

of this legislation is to unite two, three or four people so that their total responsibility individually is less. Certainly if we are going to get into a situation where an individual farmer is getting himself into debt without the use of machinery covering a large area, which this legislation contemplates, I think we are getting into an entirely new field. I also believe we must consider farmers as responsible individuals. I have a feeling through listening to this debate that we are trying to be godfather to the farmers and protect them from themselves. I do not think this is necessary at all. I believe that farmers are men who are mature enough—they are over 21—to look after themselves and enter into proper agreements.

As far as individual liability is concerned, this clause did concern me. I refer to the situation where death occurs. As the minister has said, they are looking into the possibility of providing insurance which will cover this particular aspect of the matter. This type of insurance is available to partnerships today from insurance companies. If you are in partnership you can get an insurance policy that will take over your liability and settle the debt. I think the government could easily follow the pattern of private insurance companies and in this particular case make certain that in the event of death the situation will not bring hardship to the other members of the syndicate.

There is one thing that bothers me in this connection. I refer to the matter of repossession. I think there should be in the regulations every conceivable protection for the farmer when it comes to the question of the repossession of any equipment. Having entered into this agreement, if circumstances arise which were not foreseen by the individuals—that is, in the event of something happening as a result of which repossession would be considered by the corporation—the farmer is now going to be left without any machinery with which to farm his land, if he belongs to a syndicate and the machinery is taken away. I believe some very sound measures of protection should be adopted in this regard.

The Chairman: Shall clause 2 carry?

Mr. Horner (Acadia): Mr. Chairman, before clause 2 carries I have one or two points I should like to place before the minister. I am slightly confused with regard to paragraph (A) of clause 2. Why does it need the inclusion of the words, "who are engaged in farming independently of one another", when the minister in answer to a question earlier stated that 20 members of a co-operative could join together in five syndicates; they did not have to be farming independently of one another, as I understood him, as long as each syndicate formed a new entity. In other words, I understood the minister to say that five members of a co-operative could form a new entity; they would not have to be farming independently, but could still receive loans under this bill.

I am somewhat confused on this issue and fail to see the reason for the inclusion in paragraph (A) of the words, "who are engaged in farming independently of one another". I have seriously considered asking that the words after the word "farming" be struck out and words to the effect of "farm co-operative associations established under provincial law" be written in there. This would make the clause a great deal clearer than it is now. We now have paragraph (A) reading that persons farming independently of one another can form a syndicate and that members of a co-operative—although it is somewhat confused—can also join a syndicate and take out a loan. However, as a co-operative entity already registered under provincial law, they cannot. I believe, as the hon. member for Burnaby-Coquitlam pointed out earlier, that this is hardly necessary. The minister is asking a group of people who are farming jointly to keep separate books with regard to machinery which they are all using together.

I believe that before clause 2 is passed this question should be clarified. Perhaps the minister, after the wise counsel he has received this afternoon on this subject, would agree to forgo the passage of clause 2 right now and bring in an appropriate amendment as suggested by the hon. member for Peace River and the hon. member for Burnaby-Coquitlam. The minister could bring in such an amendment after the supper hour and we could readily pass it at that time. We could proceed with clauses 3 and 4 now, if members of the committee are prepared to do this. I see the minister shaking his head. It is a sad thing that he spent nine months in labour on this bill. I think the gestation period was hardly long enough; perhaps he should have been like a horse and spent 11 months if he shakes his head at a reasonable suggestion that has been put forward for at least an hour and a half or two hours this afternoon by some very learned, legal members of this house, and some very experienced administrators such as the hon. member for

Burnaby-Coquitlam has proven himself to be with regard to legislation.

Surely the minister should take the sound advice that has been offered this afternoon. Rather than moving the amendment myself I would ask for the co-operation of the committee in this regard. Rather than having a vote on the amendment, I ask for the co-operation of the committee for the clarification of this bill. Perhaps we could forgo any further discussion on this particular aspect of clause 2 and proceed with the other clauses of the bill. The minister could then consider this question during the supper recess from six to eight o'clock. Surely this is not too much to ask. During the two hour supper period, he could obtain the best legal advice possible and find some way in which paragraph (A) of clause 2 could be clarified. Then he could come into the house at eight o'clock and put the amendment before us. Surely, Mr. Chairman, in view of the advice that has been offered this afternoon, the minister can be big hearted enough, imaginative enough, to see the reasonableness of this suggestion and bring in an amendment that would clarify this situation.

Some members have referred to the insurance aspect of this proposed loan legislation. I should like to draw attention to the fact that the minister has indicated he will give consideration in this regard, but I feel that consideration could have been given during the nine month gestation period which preceded the birth of this bill.

This legislation is to be administered by the Farm Credit Corporation, and I cannot see why, as suggested by the hon. member for Cariboo, the insurance aspect was not dealt with before this bill was presented. The Farm Credit Corporation now has a package deal in respect of farm loans, which includes insurance. Under the provisions of this bill the members of the syndicate are jointly and severally liable for the outstanding amount of the loan. I think the liability should also have been secured by an insurance policy, provision for which perhaps could have been included in clause 6 of the bill, under the 1 per cent service charge. This could easily have been done by including the word insurance in that clause.

Mr. Chairman, I hope the minister is in a co-operative mood this afternoon and is prepared to give serious consideration to the several proposals put forward. He has had the benefit of some good legal and administrative advice, as a result of which perhaps he can clarify certain aspects of this proposal through an amendment which will be acceptable to the members of this committee and the farmers in this country.

Mr. Hays: Mr. Chairman, the insurance aspect has been taken care of in clause 3 of this bill which reads in part, "Every loan made pursuant to subsection (1) shall be secured by (a) a promissory note ... (b) such other security, including a mortgage—", and so on. In so far as the other question raised by the hon. member in respect of the independent farming of farmers of the syndicate is concerned, I suggest that if the hon. member for Acadia had six sons, each of whom farmed independently, they could form a syndicate and borrow $100,000 for the purchase of machinery.

Mr. Horner (Acadia): In the event I had six sons who farmed on the basis of a co-operative association which held title to the land, could my six sons form a syndicate and benefit from the provisions of this legislation?

Mr. Hays: If you had two sections of land and your sons each farmed a quarter section independently, they could form a syndicate and borrow money under this act for the purchase of machinery.

Mr. Horner (Acadia): I do not wish to prolong unduly the discussion at this stage, but I should like to have the situation clarified once and for all. It may be as confusing to many others as it is to me. If a co-operative association, comprised of my three sons and myself, or my three sons and three sons of another farmer, farmed land, the title to which was in the name of the co-operative association—you can tack any name you want on that association—would they be entitled to form another entity, call it a syndicate, and take advantage of the provisions of this act?

Mr. Hays: If those people were farming independently they could do so, yes.

Mr. Horner (Acadia): If my three sons and myself formed a co-operative association and that association owned the land, my three sons and myself could form a syndicate within the provisions of this act, provided we were farming four other quarter sections independently, is that right? Do I understand correctly that we would have to be farming other land independent of that owned by the association in order to form a syndicate for the purposes of this bill?

Mr. Hays: I think that point was raised by the hon. member for Burnaby-Coquitlam. The members of a co-operative farm association could form a syndicate and borrow money under this act for the purchase of machinery.

Mr. Horner (Acadia): It does not make any difference who holds title to the land being farmed, is that right?

Mr. Hays: Not necessarily.

Mr. Horner (Acadia): Why does this bill exclude co-operative entities?

Mr. Hays: We are not excluding the members of a co-operative association, but we are excluding the co-operative as such.

Mr. Horner (Acadia): Why are you excludind co-operatives as such if you are not excluding the members? Why should the members be required to keep another set of books, another set of repair accounts and incur a completely different set of liabilities? I suggest that would be at cross purposes to the co-operative association they had already formed. Why is that particular restriction necessary?

Mr. Hays: Perhaps I can answer your question in this way. In so far as a co-operative association is concerned, there is limited liability. This legislation is designed to provide a means of making loans to each member of a syndicate to the extent of $15,000 to be secured by a promissory note and a mortgage on the machinery. If the members of the syndicate were members of a co-operative farming association, as I understand the situation, their liability would be limited, just as the liabilities of a limited company are limited.

Mr. Douglas: Perhaps that difficulty can be avoided because the Farm Credit Corporation has the power to state the terms and conditions under which a syndicate can benefit through this legislation. If necessary the Farm Credit Corporation could stipulate that a co-operative farming association must apply any loan granted as a charge against its land and other assets.

The Farm Credit Corporation would be taking much less risk in dealing with co-operative farm associations, in view of the fact the land is owned by the association, as are the buildings, livestock and machinery, than in dealing with three individuals who are perhaps tenants and possess no other assets than the 20 per cent equity in the machinery purchased with the loan. If that is the best reason the minister can give for not allowing co-operative associations to become syndicates under this act, I suggest it is a very weak reason indeed.

Co-operative farming associations should be allowed under this act to become syndicates and to operate as syndicates. If in that instance the Farm Credit Corporation wants to impose some additional requirement with regard to security I am sure there would be no difficulty about that. But to exclude co-operative farming associations or, what is almost equally bad, require them to borrow money under this legislation as a different legal entity with the result that they will have to keep two sets of books, will have to have different insurance and will be faced with the almost impossible job of keeping this machinery, separate from the other machinery on the co-operative farm, since all machinery is used jointly, and to do this simply in order to comply with legislation which has largely been copied from British legislation and does not really apply to our situation here, will in my opinion put co-operatives in the position where they will not benefit from the act at all. Maybe that is what the government has in mind, but if it is I want to say this is discrimination against co-operative farms. I think co-operative farms should be encouraged rather than being discouraged, particularly the co-operative use of farm machinery.

I have gone over all this before and I am not going to go over it again, but I should like to put an amendment before the committee. I propose:

That the words "who are members of" in lines 17 and 18 of section 2, clause (c), be deleted.

It would then read:

(c) "farm machinery syndicate" means an association formed

(i) by an agreement in writing, approved by the corporation, between not less than three individuals

(A) who are engaged in farming independently of one another or a co-operative farm association, as defined by regulation.

Some further drafting may be required, but that would permit a co-operative association to apply as a legal entity.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I would object to that simply because it would exclude members of a co-operative farm association.

Mr. Hays: Mr. Chairman, this clause does not discriminate against those people who belong to a co-operative. It does not discriminate. The hon. member for Burnaby-

Coquitlam referred to a co-operative farming venture in Saskatchewan with 20 members. Those 20 members in various syndicates of seven could, provided the corporation felt they were capable of repaying the loan and were in need of the equipment, borrow almost $300,000. If we were to do what the hon. member has proposed in his amendment we would limit the borrowing of this group of 20 people to $100,000.

We have looked at most of these problems and I agree that in a year from now we may be able to hurdle this one. We do not want to discriminate against the members of a co-operative. This is why they can as individuals form a syndicate and still be members of a co-operative doing exactly the same thing as their half dozen neighbours alongside of them. We feel we should give this legislation a trial on this basis and if merit dictates an amendment we are not only prepared to do so but are prepared a year from now to take the legislation and send it to the committee so that they may overhaul it.

The legislation is new and experimental. It is challenging. We think there is a great deal of merit in it if we are going to maintain the family farm in Canada. In addition, we are going to make it possible for those people who cannot afford to own large tracts of land to be on an equal basis with the farmer who has three or four sections, like the hon. member for Acadia. This will give the man with 160 acres an opportunity to be able to compete not only in the domestic market but also in world markets. For this reason I think we should leave the bill in its present form.

Mr. Douglas: Mr. Chairman, I am quite aware that the basic intent of the act is to help small farmers and this, of course, is most desirable. The primary purpose of the legislation should be to assist small farmers who cannot afford to buy the large and expensive machinery necessary today in order to farm economically.

Although the small farmers will get the greater benefit from this legislation, the legislation is not restricted to small farmers. It will also benefit the large farmer or whatever groups of farmers want to come together. So if we are going to give this opportunity to farmers generally it seems to me it is most unwise to rule out co-operative associations and particularly co-operatives for the co-operative use of machinery. These are all small farmers farming a quarter section of land and they have not been able to buy large diesel tractors. Consequently they have had to buy small tractors whose operating costs are much higher. For this reason they have formed co-operatives, but under this legislation they are not going to be able to apply as co-operatives. Co-operative farms are not going to be able to apply.

It does not seem to me to be sufficient for the minister to say: Let us take a crack at it and we will have a look at it next year. We are drafting legislation and surely when we are drafting legislation we ought to try intelligently to anticipate all the problems that will arise. Surely we should endeavour to see that the legislation will apply equally and equitably to all kinds of farmers whether they are operating on a co-operative basis, individually, or operating co-operatives for the co-operative use of farm machinery. I do not think that the minister or the department have thought through the implications of this legislation. By restricting it to three or more farmers who form a syndicate, and leaving out co-operative farm associations and co-operative associations for the co-operative use of farm machinery, I think they have overlooked something which has great promise for the stability of agriculture in the future. I hope the minister will consider looking at this amendment or some other draft that his officials may consider more appropriate.

Mr. Cardiff: Mr. Chairman, I should like to ask the minister this question. If he is going to be so agreeable a year from now and send this legislation then to the agriculture committee, why is he not agreeable to sending it to the committee now, before it is passed by the house? Is there any reason in the world why it could not have gone to the agriculture committee in the first place to iron out some of the difficulties that are prominent in the bill? We are trying to keep people out of trouble, not trying to get them into trouble. It seems to me that the minister is leaving the field wide open for people to get into a lot of trouble they otherwise would not get into if the bill had been sent to the committee in the first place. The only reason the minister does not want it to go to the committee is that the opposition members do. There is no other reason that I can see. Yet he is ready to send the legislation to the committee a year from now.

Mr. Otto: Mr. Chairman, the hon. member for Burnaby-Coquitlam seems to have left the committee with the idea that co-operatives would be prohibited from coming under this legislation.

Mr. Douglas: As co-operatives.

Mr. Otto: This is not so, because if every member of a co-operative makes an application every member is jointly and severally responsible. There is nothing to prevent them from coming under the bill. They would not have to keep two sets of books. After all, the legislation says that three or more may apply. If there are 20 in the co-operative the 20 can go and borrow the money, and they can all sign. If every member of the co-operative signs it is tantamount to having the co-operative apply.

Mr. Horner (Acadia): Why keep them out then?

The Chairman: Is the committee ready for the question?

Mr. Nasserden: Mr. Chairman, the last statement made by the minister caused me a great deal of concern. He indicated that a co-operative composed of 20 members could secure $300,000 and I took him to mean that the government would give its blessing to that type of thing. Was I right in drawing that inference?

Mr. Hays: If a loan of that sort was justified to do the job they had to do, yes. If there are 20 farmers in a co-operative and they are farming 20 sections of land I can see no reason in the world why they could not possibly borrow up to $300,000 under this legislation.

Mr. Nasserden: Yet the minister would deny a farmer with one section of land $15,000 under this legislation.

Mr. Hays: He can get it under the farm improvement loans measure.

Mr. Nasserden: The members of a co-operative can also get it under the farm improvement loans measure.

Mr. Hays: I don't think so.

Mr. Horner (Acadia): The minister doesn't know.

Mr. Nasserden: Do not tell us whether or not you think so; can they or can they not?

The Chairman: The hon. member for Acadia.

Mr. Nasserden: I think my question deserves a better answer than—"I do not think so"—from the minister.

Mr. Horner (Acadia): Just before we hurriedly pass the amendment, I may say that we see the Liberal backbenchers are wholeheartedly in support of the minister's nine months of labour in preparing this bill.

Mr. Greene: No split in this party.

Mr. Horner (Acadia): That is an interesting remark from the hon. member for Renfrew South. Last week he kept interrupting with remarks about the Bay street boys. I thought he had a little bit of a peeve on against the Bay street boys who refused him the leadership of the Ontario Liberal party. Evidently he has become reconciled now and says there is no split.

The Chairman: Order; may I bring to the attention of all hon. members the fact that we are now discussing an amendment moved by the hon. member for Burnaby-Coquitlam.

Mr. Horner (Acadia): The members across the way, Mr. Chairman, were trying to interrupt me and lead me astray while I was dealing with the amendment. I have not dealt with it at any length this afternoon. I have listened to the hon. member for Peace River and the hon. member for Burnaby-Coquitlam deal extensively with the poorly drafted clause that is before us. I have suggested to the minister in all sincerity that he and his officials look at this clause between six o'clock and eight o'clock and perhaps they could propose an amendment at eight o'clock. Surely, they could take advice that has been given by two learned gentlemen this afternoon.

Now, we see the members of the government hurriedly trying to push through this clause, not wanting to consult or take another look at a dream that might have entered their minds nine months ago. If I might continue the thought of the hon. member for Burnaby-Coquitlam, I may say that he mentioned the Hutterite colonies. He wondered if they could qualify as co-operative farms. The minister has suggested that a 20 member co-operative could borrow $300,000. Let us look at the Hutterite farm problem. Some of these colonies have 100 members, and if you divide that by seven you would find they could borrow $1,400,000 under this measure. If I am right, 100 members of a Hutterite colony, commonly referred to as a co-operative farm, could borrow this amount.

Mr. Hays: Perhaps I could answer the question now. Hutterite colonies are not constituted as co-operatives, nor are they constituted as limited farms, so under this legislation they would not be eligible for a loan.

Mr. Horner (Acadia): I know the minister has a great deal of knowledge on most subjects, but I wonder if he is correct on that aspect of the Hutterite farm. He says it is not

a co-operative nor is it a legal entity. I wonder if he is correct. I do not want to question his word. He has many competent legal advisers who drafted this particular piece of legislation to which many members have referred as being ineptly drafted. I will phrase my question this way. Could these Hutterite colonies form co-operatives under provincial legislation, and then could they then qualify by forming as many syndicates as they could form?

Mr. Hays: This is a hypothetical question, but if a colony wanted to become individual farmers, to break up the colony, they would be eligible to form syndicates the same as anyone else.

Mr. Horner (Acadia): The minister is not answering my question. I am not suggesting that the Hutterites become individual farmers. He is not asking the members of a co-operative to become individual farmers. The phrase "farming independently of one another", means nothing in the definition the minister gave this afternoon. This phrase should not be in the bill because it is only confusing. If a Hutterite colony formed co-operative entity under provincial law and then split up to form as many syndicates as possible, could they borrow under this measure?

Mr. Hays: Yes, that is correct; they could.

Mr. Woolliams: I just wanted to ask the minister one question. He has said that as the bill is worded now and as the Hutterite colonies are constituted in Alberta, they would not be able to qualify.

Mr. Hays: Not as one individual farm, no.

Mr. Woolliams: They could as a colony?

Mr. Hays: They could if they were constituted as a co-operative.

Mr. Woolliams: Yes, because my understanding, briefly, is that the Hutterites are incorporated by statute under the charitable enterprises act, or something like that, of the province. They are, therefore, really legal entities in that they can sign contracts as legal entities. They are like a corporation, except that they are not the type of corporation that shows profits when it comes to paying income tax.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): I should like to make it quite clear on the record that the amendment proposed by the hon. member for Burnaby-Coquitlam will drastically curtail the amount of credit available to a 20 member co-operative. Under the bill as it is now, a 20 member co-operative would be able to obtain approximately $300,000 in credit. The amendment proposed by the hon. member for Burnaby-Coquitlam will restrict this amount to $100,000.

Mr. Douglas: The minister could get around that very easily by prescribing two limitations, a limitation which may apply to a syndicate of six or seven members, and a limitation which may apply to a co-operative farm association of 20 members. You could have two limitations, one for a co-operative association and one for a syndicate.

Mr. Danforth: I should like clarification of that point. It has been said over and over again that this bill is primarily designed to help the small farmer. I should like to ask the minister if I am correct in assuming from the remarks he has made this afternoon that three farmers together can borrow only $100,000, which gives each one of them actual credit for $30,000. However, a co-operative farm consisting of 35 members may borrow up to half a million dollars. I should like this point clarified, because it is important so far as the small farm is concerned. Am I correct in assuming from the minister's remarks that it is possible for a farmer to borrow up to $15,000, but by taking seven members to form a syndicate a 35 member co-operative could form five syndicates and be able to borrow half a million dollars under the provisions of this bill?

Mr. Hays: In the first place, I do not think there are any 35 member co-ops.

Mr. Danforth: Well, Mr. Chairman—

The Chairman: Order.

Mr. Danforth: Mr. Chairman—

The Chairman: Order. The minister has the floor.

Mr. Hays: This bill says that a three farmer syndicate can borrow a maximum of only $45,000, and the limit for a seven member syndicate would be $100,000. The hon. member for Burnaby-Coquitlam was speaking of a 20 member farm co-operative, and there are such big co-operatives in Saskatchewan. In speaking to his amendment, I said they would be able to form three sets of syndicates, two of seven members and one of six members, and the actual amount they would be able to borrow, at a maximum of $15,000 per person, would be $290,000. Under the suggestion that he offers this would be limited to $100,000. It is $15,000 multiplied by the number of participants, with a limit of $100,000, which

would make for a syndicate of seven members, although alternatively the whole 20 members could each borrow $5,000, with a limit of $100,000.

This bill is designed to make it possible for small farmers to buy equipment in which ordinarily they do not seem to want to invest such an amount of money, because it is just not practical for one farmer to own a $10,000 machine.

Mr. Danforth: I know of a co-op with 435 members, but am I correct in my assumption that if a co-operative has 35 members it could break into five syndicates of seven members each, and thus borrow up to $500,000 under the terms of this bill?

Mr. Hays: I think we are talking about two different things. The hon. member is speaking of farmers' co-ops as such, and the hon. member for Burnaby-Coquitlam was speaking about farm co-operative associations where 20 individual farmers join together.

Mr. Danforth: That is exactly what I am speaking of.

Mr. Hays: With 455 members?

Mr. Danforth: I said 435 members.

Mr. Hays: I am not familiar with that.

Mr. Danforth: This is my point. Will the minister say it is possible for a co-operative of 35 members to break up into five syndicates of seven members each and borrow up to $500,000?

Mr. Hays: Yes, as defined by the regulations, and if the Farm Credit Corporation felt there was justification for lending them this amount of money.

Mr. Nasserden: Was the minister of agriculture in the province of Saskatchewan consulted with regard to clause 2 of the bill?

Mr. Hays: Mr. Chairman, I did not discuss the details of the bill with the provincial ministers. I discussed it generally with them at the meeting in Newfoundland when all the ministers met in their annual get together.

Amendment (Mr. Douglas) negatived: yeas 31; nays 61.

The Chairman: Shall clause 2 carry?

Mr. Danforth: Mr. Chairman—

Some hon. Members: Oh, oh.

An hon. Member: Filibuster.

Mr. Danforth: Mr. Chairman, government members say "filibuster," but there is another important aspect to this. I would like to ask the minister some direct questions on how this affects a farmer's credit. This afternoon I heard him say that if the other members of a syndicate were willing, they could take in a young farmer who is just starting out as a farmer. Is it possible, as intimated by the minister, for an individual to come in as a member of a syndicate and borrow money under the provisions of this bill, without having any assets that would be taken into consideration by a bank? In other words, can a young farmer starting out come in without assets and borrow under this legislation? If this is not the case, then is it not true that the other members of a syndicate would in effect be countersigning such a young farmer's promissory note?

Mr. Hays: This is exactly right.

Mr. Danforth: I would like to carry that a little further. Do I understand from the minister that a man can come into a syndicate, have no assets, and borrow $15,000 under this bill?

Mr. Hays: There are joint and several liabilities. The machinery becomes an asset along with the farmers' notes, and I may tell the hon. member I have a great deal of confidence in the farmers of this country. I think they would be careful before they go into such a syndicate, and would only buy the machinery they need. You must remember that although the Farm Credit Corporation has lent something like $380 million to farmers, their bad debts are something like only $7,000. Farmers are good credit, and farmers who sign promissory notes live up to their obligations. I have no doubt this legislation will work well, as it has worked in other countries.

Mr. Danforth: This is an interesting proposition and I would like to carry it further. Take the example of the young farmer and a three man syndicate borrowing $45,000. They each may sign a promissory note, but only one man in the syndicate may have assets. Is that possible?

Mr. Hays: They are borrowing the money for the purposes of farming and they are buying machinery for the farms they operate. I think this is quite a hypothetical thing. Take any three or four farmers who are organizing a syndicate to purchase the machinery they require. They will take a very good look at anyone they invite to join their syndicate. We do not have any doubt that the farmers will be responsible, that the

loans will be paid, and that this legislation will be a help to them.

Mr. Danforth: I am sure the minister will have patience with me as I try to develop this point. I am interested in the effect of integrated farming in my own province of Ontario. If what the minister says is correct, would it not be possible for one individual, by making use of two other persons who have no assets but who are connected with farming, to borrow $45,000 whereas he himself might only be able to borrow $15,000?

Mr. Hays: If his assets justified such a loan. He would be a farmer; he would have land. The corporation would not be lending this individual anything if he did not have a farm. As the bill provides, he must be a bona fide farmer.

Mr. Danforth: The minister has told us that a syndicate member does not necessarily need to have bank assets, because his signature is backed by the promissory note signed by his partners in the syndicate. What happens if the situation is the other way round? What happens if a farmer is a member of a syndicate and has signed a promissory note for $15,000? What happens if he goes to the bank to borrow money for fertilizer? Is this liability held against him? Is not the entire liability of the syndicate held against his individual credit? Supposing the promissory notes are for $75,000. Is not this sum an obligation against the credit of each individual member of the syndicate when he goes to a bank to borrow money for seed or fertilizer?

Suppose a farmer wishes to borrow money through the Farm Credit Corporation. He has to list all his liabilities. Is not his total commitment to the syndicate taken into consideration by the corporation? The minister has told us that this measure does not affect the workings of the Farm Credit Corporation or the Farm Improvement Loans Act, but in any dealings I have had with the corporation I have found it to be interested in the total liabilities of a farmer making application for a loan. I should like the minister to give the committee a definite statement telling us how a farmer's credit would be affected by these provisions.

Mr. Nasserden: I should like the minister to tell us what is the total amount of money a farmer can secure under the terms of the Farm Improvement Loans Act and under the present bill, if it is passed as it now stands. If a farmer secures the maximum amount, what is the total he can secure?

[Mr. Hays.]

Mr. Hays: He would be able to borrow $55,000 as a supervised loan if he were under the age of 45, less the amount of his down payment. He would be able to borrow $15,000 under the terms of the Farm Improvement Loans Act and he could become a member of a syndicate which could allow him to use $15,000 for the purchase of machinery. Apart from that, I suppose if he wanted to own a house in town and buy a toaster and a radio and all that sort of thing, and if the dealers concerned thought he was worthy of credit, he could borrow to pay for these articles, too.

Mr. Nasserden: The minister finds my question amusing, but he did not answer it. The question I asked was this: What is the total amount a farmer could borrow under the Farm Improvement Loans Act and under this legislation if it is passed? What would be the maximum amount? I am referring to money borrowed by one individual, supposing he entered one of these syndicates.

Mr. Hays: Under the Farm Improvement Loans Act I think the limit he could borrow would be $15,000. If he became part of a syndicate, using the maximum amount, he would be liable for the whole of the $45,000 because he would be jointly and severally responsible along with the other members of the group. We realize all this. After all, a man can borrow as much money as the person who is lending is prepared to allow him, on the basis of his assets and so on. Many farmers in my part of the country use $50,000, $60,000, $75,000 or $100,000 worth of credit at the banks.

The old way in which they did it was this. The bank used to say: This $75,000 you can have at 5¾ per cent—you can get it at 5 per cent in some other act—and we will charge you 6 per cent on the balance. Nobody can really say how much a farmer can borrow. Many people are prepared to lend a farmer $14,000 to purchase a 4-10 combine, with all its attachments. The farmer may be paying as much as 10 or 15 per cent interest. All we are trying to do in this bill is to enable people to acquire machinery without having to pay an excessive amount, so that the small farmer can compete with the richer farmer in both the domestic and the export markets.

Some hon. Members: Hear, hear.

Mr. Nasserden: I hope the minister does not believe we are so childish on this side of the house as to be prepared to accept an answer like that. If a farmer takes a farm improvement loan to the maximum, and

borrows the maximum he can get under this syndicate arrangement, what would be the total moneys he could receive from these two sources? Will the minister answer that question.

Mr. Greene: Ask it in one of the two official languages, now.

An hon. Member: Smart boy.

Mr. Nasserden: Maybe I will put it this way, and the minister can tell me whether I am correct. A farmer can get $15,000 under the Farm Improvement Loans Act and $15,000 as his share under the present bill if he entered a syndicate. That would be $30,000. Is that not correct?

Mr. Hays: It is hardly correct because there is a partnership of three people and there is joint and several responsibility for the whole obligation.

Mr. Nasserden: Surely the minister knows what I am getting at. You can borrow $15,000 under the Farm Improvement Loans Act and this legislation will provide another $15,000 per individual farmer entering a syndicate arrangement if the maximum amount were secured. This has no relation to the obligation a farmer takes on. This is the amount he can receive. The total comes to $30,000. Will the minister not give us an answer?

Mr. Hays: I do not understand what the hon. member is getting at. A farmer can borrow $15,000 under the Farm Improvement Loans Act. He can become a member of a syndicate of three individuals, which is the minimum, or he can join a syndicate of seven should he so desire. Under this bill, then, he would be allowed to borrow up to $45,000 along with two partners in a syndicate. He would be responsible for the $15,000, and also for the total amount as would be the other two members.

Mr. Nasserden: Before this clause is passed may I say I think the discussion this afternoon has shown very clearly that this bill should have gone to the committee on agriculture for scrutiny. We have made no headway here today. We have heard the most evasive answers—

An hon. Member: Nonsense.

Mr. Nasserden: —from the minister in many instances. But from those answers which were definite we understand that a co-operative farm of 35 members can secure a loan up to $500,000 under this legislation. This was pointed out by the hon. member for Kent, (Ont.), and it gives us some indication of the thoughts which are in the minds of hon. members opposite on the government benches. We on this side believe in the family farm and we believe that this type of legislation threatens the entire structure—

Mr. Hays: On the point of order, Mr. Chairman, I do not think this has anything to do with the clause under discussion at the moment.

Mr. Nasserden: The minister may not think so, but I would point out that the clause states, among other things:

> (c) "farm machinery syndicate" means an association formed
>
> (i) by an agreement in writing, approved by the corporation, between not less than three individuals
>
> (A) who are engaged in farming independently of one another or who are members of a co-operative farm association—

And so on. When he tells us that 35 farmers can secure half a million dollars of credit for a co-operative farm set up in this country he is the threatening the survival of the family farm.

Some hon. Members: Oh, oh.

Mr. Danforth: Mr. Chairman, I wonder whether the minister would take the time to tell us exactly what would happen to the credit status of a farmer borrowing under the different parts of this bill. I am particularly interested in the effect it would have on his credit rating at a bank. With regard to a young farmer borrowing $15,000 under the Farm Improvement Loans Act and $15,000 under the syndicate plan, and under the syndicate he had an obligation of $75,000, the members of the syndicate being liable jointly or severally, what effect would this have on his credit rating with the Farm Credit Corporation if he desired to buy more land, or something like that? I would also like to know, what would be the definite responsibility with regard to a bank. It is very important that a farmer, when he is joining a syndicate like this, should know just what effect it will have in connection with his credit rating at a bank. The legislation provides that an individual farmer is liable for the entire amount borrowed by the syndicate. If a farmer borrows only $15,000, which is the maximum amount under this proposed legislation, and signs a promissory note if the syndicate has borrowed $75,000, is that $75,000 a credit liability against him at the bank if he goes there to borrow money for other purposes? I think this is important and farmers will want to know the answer

to this question; it has an important bearing on farmers' credit. That is why I pose these questions in the first place, Mr. Chairman, and I wonder whether the minister would be kind enough to give us the answers.

Mr. Hays: In reply to this question, Mr. Chairman, I am sure this will not hinder a farmer borrowing from the Farm Credit Corporation. I cannot speak for the banks. If he can participate in such ventures then his credit will be a great deal better than it is today, and he wishes to buy the type of equipment that will allow him to do the job that is necessary for him to compete in other markets, I am sure it will not hinder him in borrowing from the Farm Credit Corporation.

I cannot answer for what the banks will do. This depends upon their particular judgment. However, I am sure that if a farmer is properly financed and his equipment is such that it can do the job he wants done, and he does not have a $10,000 machine tied up in the barn that he is going to use for 12 or 13 days, but only has $3,300 in the machine and is sharing it with others, his credit rating is bound to be better. At least it would be if I were the bank manager.

Mr. Danforth: Mr. Chairman, is the minister saying that as far as the banks are concerned this credit aspect was not taken into consideration in the preparation of this measure?

Mr. Horner (Acadia): Mr. Chairman, the whole question of security and credit comes more aptly under clause 3. Perhaps we could pass clause 2 and get on to clause 3.

Clause 2 agreed to.

On clause 3—*Loans to farm machinery syndicates.*

Mr. Horner (Acadia): Mr. Chairman, just to show the committee that I am co-operating 100 per cent—

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): —in trying to speed up passage of this legislation, I will be brief in my comments. The backbenchers over there, the trained seals, appear hungry; they seem to be snapping their teeth quite a bit. It is near the supper hour, when they will be fed and will be more content in the evening hours, when members who are seriously concerned with passing this legislation can deal with it in a more apt atmosphere than we have had in the last hour, with the snapping and snarling of the trained seals with hunger gnawing at them.

With regard to clause 3, Mr. Chairman, the minister has been talking about security and I have been very interested in his remarks in this regard. On one occasion he said they did not have to have security; a farmer did not have to have assets—I believe that was the phrase he used—to borrow money under this measure. He said all one had to have was the security in the 80 per cent of the machinery the syndicate purchased, and this would be the asset. They just had to sign a promissory note, but no assets were necessary apart from the promissory note. That is what the minister said at one time; but then he reversed himself and looked at the other side of the card and said, "Yes, they have to have some assets. They are all farmers"—

Mr. Hays: Mr. Chairman, I think the hon. member misunderstood me, in his hurry to speak before six o'clock. I would hope he would be factual about these things. I said that the farmer who was joining one of these syndicates would sign a promissory note—this is in the bill—and the security would be the promissory note as well as the machinery. This would be all the security. But the promissory note is a rather important document. You cannot borrow any money from any bank without signing a promissory note, irrespective of how much security you may wish to put up. This is always important.

Mr. Horner (Acadia): Mr. Chairman, I will put a hypothetical question because it seems to me that when we are dealing with examples the minister has a better understanding. Let us suppose my farm is worth $5,000; that is, the total assets are worth $5,000. Can I join with two other farmers and sign a promissory note for $45,000? Would that be taken as security? I ask the minister that point blank question.

The Chairman: Shall the clause carry?

Mr. Horner (Acadia): No, certainly not. I am waiting patiently for an answer because I want this matter clarified before we pass the clause.

Mr. Hays: Would the hon. member repeat his question, please; I did not hear it.

Mr. Horner (Acadia): I am sorry I talk so quietly. My question was this, and it is a hypothetical one. Suppose my farm is worth $5,000 lock, stock and barrel. Could I sign a promissory note and would that be accepted,

in regard to a syndicate with two other members, for a total of $45,000?

Mr. Hays: Yes, if the other members were satisfied and were prepared to do this. I think this would be a matter of judgment. It depends on what you had in the $5,000. If you had $5,000 worth of bees and were going to purchase an extractor for the honey after having entered into an agreement, this would be a sensible thing. A great deal depends on circumstances.

Mr. Horner (Acadia): The minister uses an example which is not applicable in this case, and this only confuses me more. He said yesterday that bee farming was not included under this measure, and now he uses that example. I want to clarify the legislation in this regard. I am not concerned with what my fellow syndicators feel about me; I am concerned about the lender, in this case the Farm Credit Corporation. Would they accept my promissory note if my total assets were only worth $5,000 and I signed a promissory note valued at $45,000? Would this be acceptable, in the eyes of the Farm Credit Corporation?

Mr. Chairman, may I call it six o'clock, in the hope that the minister and his officials will get together during the supper hour and review this whole question of security and credit.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Horner (Acadia): Mr. Chairman, I should like to deal further with the questions I posed before the dinner adjournment.

Mr. Moreau: Not again.

Mr. Horner (Acadia): I see the hungry seals have not had enough to eat. Perhaps the supper hour should have been longer.

Before the committee adjourned for supper I posed a question to the Minister of Agriculture. Supposing I owned a farm and the total value of my assets was in the neighbourhood of $5,000, would the Farm Credit Corporation put any value on a credit note which I signed in the amount of $45,000? That is the question I posed to the minister who, with his officials from the Farm Credit Corporation in front of him, should be able to answer before I continue my remarks in respect of clause 3.

Mr. Hays: Mr. Chairman, I do not suppose we would lend money to an individual in that position. I doubt very much whether an individual who had only $5,000 in assets on a farm would find it necessary to form a syndicate for the purpose of borrowing money for the purchase of farm machinery of the type we have in mind.

Mr. Horner (Acadia): I think we are now getting to the crux of the problem, Mr. Chairman. Let us suppose that the total value of my farm and assets was $15,000 and I, with two other farmers, formed a syndicate and signed a promissory note in the amount of $45,000, would the Farm Credit Corporation accept that promissory note as primary security?

Mr. Hays: Mr. Chairman, I think I must reply in much the same fashion. It would depend upon the circumstances of the gentlemen who were going to form the syndicate, and whether it was a sound proposition. A decision in this regard would be based upon those facts, and the experience and judgment of the individual who was working for the Farm Credit Corporation, who would have to approve such a loan.

Mr. Horner (Acadia): Mr. Chairman, I think we are reaching the crux of the problem in respect of this legislation.

Mr. Francis: Oh, oh.

Mr. Horner (Acadia): Mr. Chairman, I hear the hon. member for Carleton saying oh, oh. Perhaps he ate too much. Perhaps he is one of those trained seals who gorged himself during the supper hour. He spoke during this debate on the question of buying a backhoe and doing some extraordinary work. I am dealing with this particular question and I should like to get an answer.

Mr. Robichaud: Perhaps you have not been eating, but doing something else.

Mr. Horner (Acadia): There, Mr. Chairman, we have a bright remark by the Minister of Fisheries. If he is making some kind of an accusation then he should be prepared to substantiate it. Let him stand in his place and make a charge.

Mr. Robichaud: That is what you are doing.

Mr. Horner (Acadia): They are all just sitting there in their seats. Why do you not get up and make a speech on this subject? Are you all afraid to?

The Chairman: Order, please. May I suggest to hon. members that we return to a study of clause 3.

Mr. Horner (Acadia): That is what I am doing, Mr. Chairman, and that is what I have been doing. We have been listening to insinuations and smart aleck quips from a bunch of trained seals who know nothing and care nothing about this bill. They have made little or no honest contribution to our consideration, with the exception of one hon. member who offered his opinion in complaint about the interest rate. He suggested that the interest rate should be stated, and that the bill ought to make clear what interest is payable. I value his opinions very much. I do not think the rates should be more than the 5 per cent charged by the Farm Credit Corporation. He is the only member from that side of the house who has made any contribution. The rest have just made smart aleck quips, which is indicative of their lack of interest in the plight of farmers across Canada.

Mr. Chairman, I asked the minister two questions. The last one was this: If I joined a syndicate and the total value of my assets was $15,000 would the corporation consider my promissory note in the amount of $45,000 of any value. The minister indicated that the corporation would not consider it of any value. He said that whether or not I received a loan would depend upon the situation and circumstances of the other members of the syndicate. In other words, what he has said is that unless I have unencumbered assets to the value of the requested loan my application would not be considered favourably. By the admission made a few minutes ago, the minister has confirmed my earlier fears, that it will only be wealthy farmers who will be able to take advantage of the provisions of this legislation.

If a syndicate desires to borrow $45,000, that syndicate must be formed of individual farmers who have assets to the total value of the loan required, and those assets must be unattached in any way. I suggest there are not very many farmers who own unattached assets of that value. I suggest that limitation in this bill is its ruination, and that is why I said very little in respect of the bill until this afternoon when we reached consideration of clause 3. Clause 3 says that each man must sign a promissory note for the total amount owing by the syndicate. In other words, in order for me to join a syndicate with seven other members and borrow $100,000 I must have assets and security worth $100,000. Otherwise any other bank or lending institution can attach my goods.

Someone said earlier that one can borrow $55,000 from the Farm Credit Corporation under part III loans, $15,000 from the bank under the Farm Improvement Loans Act, and can then join a syndicate and as a partner in that syndicate borrow the maximum of $15,000. This makes a total debt of $85,000. But if the man joined a syndicate with seven other members and the syndicate borrowed the maximum amount he would then have to have a total net worth of $100,000. If we add to that the $55,000 that can be borrowed from the Farm Credit Corporation and the $15,000 under the Farm Improvement Loans Act, this means that the man will have to have a net worth of $170,000 in order to join a syndicate of that size.

Members on the other side say that this legislation is for the small farmers, the family farm. They will have to bear with me. I come from a part of Alberta where there are many small farmers. Their net worth is not too large and I should like to see them be able to take advantage of this legislation which the house has approved in principle, if it is at all possible for them to do so. I have studied the bill and have talked to various farmers in my constituency about it. I have deliberately talked to those farmers who I felt needed to enlarge their present holdings. I have talked to those farmers who I felt should have more money made available to them as a working tool to enable them to enjoy a standard of living comparable with that enjoyed by workers in other industries in Canada.

When I came to clause 3 and told them that as it now stands they would have to sign a promissory note making themselves liable for the total amount owed by the syndicate, they immediately threw up their hands and said that their banker knew how large a promissory note they could sign. He was familiar with their net worth statements. In other words, they doubted very much whether the corporation would be much more lenient than the banker in this regard.

I may have criticized the bill but I do not wish it to be taken that I am criticizing the management of the Farm Credit Corporation. I think they have done a tremendous job. My constituents feel that the corporation has done a tremendous job. I have no complaints at all about the administration of that act. Let me make that abundantly clear.

But here we are dealing with the question of security. It has been my experience and

that of my constituents that the Farm Credit Corporation, to put it mildly, must have all kinds of security before they will make money available to an individual farmer to enlarge his holdings or buy a new farm. So I am somewhat dubious that this clause really adds anything to the bill. The minister has said that it must be there. He did not really explain fully why it must be there. He said that such a clause is always required in the case of most corporations and limited companies, but not necessarily all of them. He said that a farmer has to sign a promissory note when he obtains a farm improvement loan. He went on to explain that if a promissory note was not signed by each individual member of the syndicate for the total amount borrowed, then in the event of the death of one member the machine would be claimed by the Farm Credit Corporation and this would tie up the whole operation of the machine until it was cleared by the remaining members of the syndicate. In my view that was a rather weak defence of this clause.

I believe that if a promissory note is necessary at all each man should only have to sign for his proportionate share of the loan obtained by the syndicate. In other words, if three farmers join together and borrow $45,000 each should only be asked to sign a promissory note for $15,000. If seven farmers join together and form a syndicate and borrow $100,000 each, one would then sign a promissory note for a little under $15,000. Surely I do not have to go into detail with regard to the difference between approximately $14,000 and $100,000.

Members of the legal profession in this party and in the New Democratic party have pointed out the legal complications in which this clause as worded would involve many farmers. It is all well and good for the minister to say that the farmers know one another and they would not join a syndicate where there was some doubt with regard to one member's character. This may be all well and good. The farmers know one another and are good judges of character, I believe, but this will not stop complications arising in the event of a death. In addition, one member could get into many financial difficulties in his own activities outside of the syndicate, thus placing himself in a dangerous position in regard to the syndicate.

The minister has accused me of being partisan in this debate. He has accused me of playing petty politics. If I have appeared to do so it is because of the plight of the small farmer. If I have appeared to seem annoyed at the irresponsibility of some of the Liberal backbenchers it is purely because at times I have felt I am fighting in a lost cause, in trying to make this bill applicable to small farmers generally and, perhaps a bit selfishly, to the farmers of my riding particularly who have faced untold difficulties in years gone by. One could consider the area in Alberta in which they live to be a drought area which has been severely stricken by harsh weather conditions. While I may have appeared to be partisan at times in this particular debate, I would not want to be interpreted in that way. I was partisan on behalf of the small farmer, and the small farmer only. I am sure that my constituency is not the only one in Canada that has farmers in it facing unusual elements such as hail, drought, long distances from markets and so on. I am sure there are other constituencies in which farmers are in similar positions. I am sure there are other constituencies, the farmers in which can take advantage of the principle of this legislation, and join together.

I mentioned in some of my earlier remarks that I had joined in three different groups of my neighbours and bought farm implements, small implements. Farmers are not denied the opportunity of coming together and buying larger implements such as those envisaged by the minister in this bill. I sincerely want this bill made applicable to those small farmers of whom I speak. I do not care how they vote, what their politics are. My sole aim in being in this house is to try to better their condition. With this thought in mind I find that clause 3, subclause (2), paragraph (a) is in direct conflict with the aims and aspirations of many small farmers.

In an earlier speech I mentioned that a small farmer with assets of $20,000 will not sign a promissory note for a syndicate requiring a loan of something like $80,000. He will not mortgage his farm, his livelihood and his children's future by signing a promissory note for a syndicate composed of similar small farmers. No farmer is afraid of his own worth. No farmer is afraid to sign a note for a proportionate share of a syndicate loan. With this in mind I should like to move an amendment to this clause. I know there may be objections to the amendment from the other side of the house. I ask members on the other side to forget partisan politics and to weigh the virtue of this amendment. I ask them to think of the farmer with assets of $15,000, to whom I referred a short time ago. I ask them to recall that the credit corporation will not

allow him to join in a minimum syndicate requesting $45,000. The minister said his promissory note would not be satisfactory. I ask members of the house this evening to waive partisan politics, to be bold and think of the small farmer.

We, as legislators in this parliament, must be prepared to help those who can and will help themselves if they are shown the way. We should not concentrate our efforts upon helping those who really do not need our help. I say to you, Mr. Chairman, in all sincerity—those on the other side can laugh, and I forgive them. I ask them to waive their partisan politics and think of the small farmer. If the minister can change this particular clause in any way so that it does not exclude the small farmer, he should do so. The minister said that a farmer with total assets of $15,000 would not be allowed to take advantage of joining a syndicate. He said, no, the promissory note would not be worth the paper upon which it was written.

An hon. Member: He did not say that.

Mr. Horner (Acadia): No, he did not say that, he said—

An hon. Member: Worse.

Mr. Horner (Acadia): An hon. member says "Worse"; no, I do not think he said that. I am perhaps putting it in the worst possible light. I want to show exactly where the small farmer stands. I am pleading the case of the small farmer in Canada. Some members laugh, and I forgive them. They know not what they laugh at. If they could see the conditions that exist in many constituencies, even in western Canada as well as parts of Ontario, Quebec and the maritimes, I know they would waive their partisan politics. Put yourself in the position of a farmer with assets totalling $15,000. You feel that you could use more money, and perhaps you could, with the advice of a farm leader. I use that term rather loosely, but there is always a leader in any farm community. Perhaps if you could join a syndicate with him he could show you how to use this capital in a way that would permit you to secure a better standard of living.

While in some former speeches I have found this bill slightly objectionable, I think perhaps it could be of benefit to the small farmers in my constituency and in many parts of Canada. Without further ado I am going to move:

That clause 3, subclause (2), paragraph (a) be amended by deleting all the words after "undertakes" and the following be substituted therefor:

[Mr. Horner (Acadia).]

"be liable for his proportionate share of the outstanding amount of the loan."

This is the amendment I wanted to move. I do not want any hurried answer from the minister. Previously in this debate I have wished the minister would quickly rise to his feet and put me straight if I was in error. I do not want any hurried answer. I should like this subject talked about by some of the learned counsel on the other side. I should like the minister to consider the amendment and to think of the small farmers who do not have extra credit facilities available to them. I want him to think of the small farmer whose total assets may be only $15,000. Surely we as legislators should make this bill applicable to him. This is all I am saying: Surely, we should try to make this bill applicable to him. Has the farmer a bad record in putting up security to the Farm Credit Corporation? He has not; he has a very good record. Under the Farm Improvement Loans Act his record could not be better; and so I ask, why do we have to be so cautious? Why can't we bend a little toward aiding the small farmer?

I plead with the minister to give this serious consideration, because as the bill is worded I am convinced, particularly in the light of the answers he gave to my questions when I started to speak, that this bill by its provisions will exclude many small farmers who are in need of help. I suggest the minister give this more thought and that his learned parliamentary secretary, who has a great deal of farming experience and who has dealt with a lot of small farmers throughout his lifetime, should also give it a great deal of thought. I do not exclude the chairman of the Farm Credit Corporation from this suggestion, because time and time again the corporation has been confronted with the plight of the small farmer. Do not forsake the small farmer in passing this legislation.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Could the hon. member suggest how a small farmer can be excluded under this clause, since the minister has stated the security for a loan will be the machinery?

Mr. Horner (Acadia): When one has just finished trying to explain a point it always causes a lot of despair when he is asked to explain it again, because it becomes very clear that the questioner has not understood his remarks. I know the hon. member is very interested in this legislation, but according to the minister's own words a promissory note, according to clause 3 (2)(a) is the pri-

mary security. Again to quote the minister's exact words, or relatively close to his exact words, the machinery is the secondary security.

I asked the minister a question at the beginning of my remarks. Suppose my total assets are worth only $5,000, which are not mortgaged to somebody else, and I sign a promissory note, would that promissory note be accepted by the Farm Credit Corporation? The only way I can arrive at a proper conclusion is to pose the question once again to the minister and hope he clarifies the matter for both of us. Suppose I am a small farmer and my total assets, lock, stock and barrel, are no more than $5,000 and I sign a promissory note, would the corporation accept my signature on a promissory note for $45,000? I believe the minister answered me in the negative previously. If I am wrong I hope he will correct my understanding.

Mr. Hays: Mr. Chairman, this bill is not designed to discriminate against any farmer, large or small, and in particular it is designed to help the small farmer. When the hon. member first posed his question he was speaking about giving a man with a $5,000 farm $15,000 worth of security, and this farmer, or group of three small farmers like him, may only need $2,000, $3,000 or $4,000.

Mr. Horner (Acadia): I don't want to interrupt the minister—

The Chairman: Order.

Mr. Horner (Acadia): I don't want to interrupt—

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): You don't want me to get an answer.

The Chairman: Order please. Perhaps the hon. member for Acadia might ask his question after the minister has spoken.

Mr. Horner (Acadia): Fine, Mr. Chairman, I have got till ten o'clock.

Mr. Hays: Such a group of small farmers would not be discriminated against. Perhaps I should review some of the remarks I made this afternoon covering the experience of farm machinery syndicates in Britain.

Mr. Horner (Acadia): On a point of order—

Some hon. Members: Sit down.

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

Mr. Horner (Acadia): I presume I have a right to speak on this amendment once again before it is voted on?

Mr. Greene: We would not miss that.

Mr. Horner (Acadia): I want to be absolutely clear. I know I am fighting a lost cause.

Mr. Hays: It might help if I pointed out again that farm machinery syndicates in Britain were organized by the farmers and the farmers' unions, and that the farmers themselves, after looking into this very thoroughly—

Mr. Rock: On a point of order, Mr. Chairman, the hon. member for Acadia has left after asking for an answer to his question.

An hon. Member: I can hear; I am listening.

Mr. Hays: The farmers in Britain, after looking into this thoroughly themselves, decided from the start that making individual syndicate members jointly and severally liable was one of the most important factors in ensuring the success of these syndicates.

We have the Reading University report on British farm machinery syndicates which says:

> The key to the problem of credit was the joint and several liability of the participating farmers working together in owning and operating a particular machine as a specific and unrestricted partnership.

These British farmers saw for themselves that if they were going to work together in this way they were also going to have to share the financial responsibilities. I could continue and repeat all the remarks I made this afternoon, but I think I have answered the hon. member's question in saying the bill is not meant to discriminate against any farmer, small or large.

Mr. Martineau: What would happen if a partner in a syndicate sold his share to someone else, or assigned his note to a finance company? Would the finance company become a partner in the syndicate?

Mr. Hays: The bill is designed for bona fide farmers, and it will be defined in the regulations as to how it will operate. The farmers will have quite a bit to do with their own agreements so far as regulations are concerned, and I do not think we are going to run into many problems in that regard.

Mr. Martineau: I think the minister will admit that the note is a negotiable instrument. It is a bill of exchange unless there are restrictions, and so far there do not seem to be any.

Mr. Greene: Does the hon. member allege that a borrower can assign a note in Pontiac-Témiscamingue?

The Chairman: Order. Before proceeding any further with the discussion on the amendment, the Chair would like to read it for the benefit of the committee. The hon. member for Acadia moves:

That clause 3, subclause (2), paragraph (a) be amended by deleting all the words after "undertakes" and the following be substituted therefor: "be liable for his proportionate share of the outstanding amount of the loan."

Mr. Lambert: In connection with a syndicate member's equity in the machinery, does the minister indicate that in the regulations there will be a prohibition preventing his signing that equity over to any other full time farmer, or will the ordinary laws of property apply? If the minister answers the first part in the affirmative, then can he tell me how the federal government has jurisdiction over property and civil rights to prevent such an assignment in personal property?

Mr. Hays: Well, I think the other two members of a syndicate of three would have quite a bit to say if one of the members wished to get out. I dealt with that this afternoon and if you wish I can go over it.

Mr. Lambert: That may be so, but I asked the minister for the legal prohibition or regulation which would be imposed in order to control this, if that is what is contemplated.

Mr. Hays: The intent is that groups of three farmers or more will be a partnership, and all the laws of the province in which the syndicate operates will of course have to be respected and will be respected. The hon. member is posing a question. The situation being advanced is where a member wants to get out of the syndicate, or goes bankrupt or is not solvent; is that correct?

Mr. Lambert: No. I am putting the case of a member of the syndicate who says: "I want to sell my share to another person". In other words, another person is being brought into the syndicate to replace him. Or he may want to sell his share to a number of other people. Unless you are going to police this carefully I can see the position arising where three bona fide farmers enter into an agreement to borrow some money to buy machinery and then all three assign it to non-farmers. Unless you are in some way going to police this sort of thing in that your regulations will then make the loan callable, I think you are going to be in trouble. Is the minister foreseeing this type of situation?

Mr. Hays: Any loans made will have to be acceptable to the corporation, the Farm Credit Corporation, of course.

Mr. Lambert: Once they are made, yes. But what do you do six months afterwards?

Mr. Hays: The corporation would still have an interest in the syndicate. They would lend the money and the debt would not be retired.

Mr. Douglas: Mr. Chairman, I have two serious misgivings about clause 3. This clause provides that every loan shall be secured by, first a "promissory note", and second by "such other security" as the corporation may require. With regard to the first security, the promissory note, the provision is that this promissory note will require each member to undertake severally and jointly responsibility for the amount of the loan. I have listened carefully to the minister both this afternoon and this evening but I have not yet heard a satisfactory explanation of why the farmers who join a syndicate must accept joint responsibility. The minister has quoted from the British experience, and the farmers there seem to prefer it. He has also said something about the fact that no one farmer should be able to tie up the other farmers in the syndicate.

I must confess that I am not impressed with his argument. I am convinced that by requiring these farmers to accept joint responsibility as well as several responsibility you will make it extremely difficult for a lot of farmers to join these syndicates. If there are four farmers who are going to go together to form a syndicate and would be entitled to borrow up to $60,000 provided they purchased $75,000 worth of machinery, you see the liability that a member of that syndicate is assuming. First of all, he must put up his share toward providing $15,000 worth of cash for the 20 per cent equity in the machinery which the members must have in the first place. Then he must sign a note not only for his $15,000 but for the entire $60,000 which the syndicate are borrowing from the Farm Credit Corporation. If a farmer assumes this liability, how is this going to affect the credit of any member? What are his chances of ever borrowing from anybody else under any other circumstance? When a possible lender looks over his financial position and sees that he has signed a note for $60,000 for which he may be liable, this is not going to make him a very likely person

to whom anyone else would extend further credit. I do not know why the minister insists on joint liability. It seems to me that the Farm Credit Corporation is adequately secured if each farmer assumes responsibility for his share.

In the case of the instance I cited before, all four farmers who borrowed $60,000 would each be then responsible for $15,000. Remember that the Farm Credit Corporation has $75,000 worth of machinery as security plus "such other security" as referred to in paragraph (b), to which I will come in a moment. It seems to me that they are adequately safeguarded if the members of the syndicate assume several responsibility without being required to assume joint responsibility. I think that this will keep a lot of farmers out; they will be afraid that signing a note, which could be for as much as $100,000, would be so onerous that it would completely destroy their credit and their capacity to borrow anything in the future from any other agency.

The second thing about which I have some misgivings, and I would ask the minister if he can to clear this up for me, is this. The second security which the Farm Credit Corporation will take under paragraph (b) is—

> —such other security, including a mortgage on the farm machinery purchased with the loan, as the corporation may require.

A mortgage on the farm machinery purchased with the loan is, of course, perfectly understandable; that is only to be expected. The Farm Credit Corporation would get a promissory note and also a mortgage on the machinery purchased with the loan. But what is the meaning of "such other security"? Does that mean that in addition the Farm Credit Corporation could take a mortgage on the land, or a chattel mortgage?

Mr. Hays: Fire insurance; life insurance.

Mr. Douglas: That is not what the bill says.

Mr. Hays: Public liability.

Mr. Douglas: There is nothing in the bill which says that. It seems to me the bill leaves it quite wide open. A literal interpretation of the bill as it now stands would, it seems to me, enable the Farm Credit Corporation, if it chose, to say to the farmer: "We want a mortgage on your land"; or they could say they want a chattel mortgage. But nowhere is this spelled out. Perhaps it is covered by the regulations which will be passed, but certainly it is not covered here, because the bill says "such other security", which of course includes the mortgage on the machinery which has been purchased. The term "such other security" gives a wider latitude, it seems to me, and I think the legislation should be drawn more definitively than it is.

Mr. Hays: So far as this particular part of the bill is concerned, this wording has been proven very successful in the Farm Credit Act. The Farm Credit Corporation regulations provide that the corporation may make a loan to a farmer on the security of a first mortgage on farm lands, and such additional security as the corporation may require. That might be fire insurance. It might be public liability. If one of these machines were, say, to go down the highway and for some reason or other became involved in an accident, if there were any public liability that would be covered by the regulations. So would life insurance, in the event that one of the members of the syndicate passed on. That is what is meant by "such other security", and this will be spelled out in the regulations exactly the same as it is in the Farm Credit Corporation regulations.

The hon. member asked me another question with regard to the members of a syndicate being severally and jointly responsible for the loan. Of course, this bill will also be under provincial jurisdiction, under the partnership act, which makes these people jointly responsible in any event in regard to farm improvement loans. They are jointly and severally responsible now in the situation where two members may borrow $15,000 each for a total of $30,000. This measure will operate in exactly the same way. The liability is not limited, so they are severally and jointly responsible.

The farmers in Great Britain, who have made this act work, felt this responsibility should be held by each member. I would ask hon. members to remember that 20 per cent of this amount is put down in cash and the balance of 80 per cent is lent. The amount by which the machinery will be depreciated, and so on, is set out in the agreement, under the regulations, and we have to approve the agreement in so far as the Farm Credit Corporation is concerned, to ensure that there will be sufficient security at all times to cover the total amount of the loan. The corporation is of course trying to help the farmers; they are not trying to keep these loans from them. These matters will be covered in the regulations in much the same way as loans by the

Farm Credit Corporation are covered, and that has proven to be a very good act.

Mr. Douglas: Mr. Chairman, the minister has said the government are trying to help the farmers. I want to tell the minister that I do not know any private lending institution that is any tougher than the procedure the minister has just outlined in this case. This is what a man is faced with when he purchases machinery under this legislation. He puts up 20 per cent of the cost of the machinery; he is going to make out a promissory note for the remaining 80 per cent of the cost of the machinery, together with the other members of the syndicate. He is liable for the entire amount. In addition to that there is a mortgage on the machinery which is purchased, which is understandable. Now the minister says that in addition to this they have life insurance, fire insurance and public liability insurance, and any of this insurance can also be assigned as security.

Mr. Hays: Mr. Chairman, the hon. member misunderstood me. There would be provision in the regulations whereby a farmer would have life insurance for his part of the loan as indicated in the agreement. If the machinery were stored in a building and was destroyed by fire, it would be covered by fire insurance. If there was public liability, this would also be covered. This is just the same as if he bought an automobile or any other piece of rolling equipment. I suggest that for his own sake he should have this protection.

The hon. member says we are making it very difficult for farmers to buy this machinery. I would ask him to remember that under the Farm Improvement Loans Act we lent last year something like $100 million to farmers to buy machinery. Apart from this I know that the farmers borrowed something like $240 million for the purchase of machinery alone at interest rates which varied from 12 per cent to 20 per cent. I am sure this will be a much better deal for them than they had previously.

Supposing a group of farmers wants to buy a rock picking machine or a posthole digger. Every farmer in western Canada has some sort of posthole digger, and I suppose this is the case in eastern Canada, although I am not so familiar with the machinery they use for putting up fences. But I know many of these farmers have equipment that costs $400 or $500 and the equipment is totally inadequate. A group of ten farmers could buy a machine that costs in the neighbourhood of $2,000. This machine will do the work that

is required, and their total investment will be in the neighbourhood of $200.

The people taking advantage of this measure will be responsible people. I must emphasize this. The farmers in this country are vigorous, thrifty, and know what they are doing. The people who are going to borrow money under this legislation will be quite responsible, I am sure, and the government will not lose money. Our farmers will receive a great deal of help from this bill.

Some hon. Members: Hear, hear.

Mr. Douglas: Mr. Chairman—

The Chairman: Order. A number of members have been trying to get the floor in order to participate in the debate on the very point that is now being discussed. I suggest all hon. members should be given a chance to participate in the debate. The hon. member for Villeneuve.

Mr. Douglas: I just want to point out, Mr. Chairman, that the minister has not answered the question.

The Chairman: Order. Perhaps the hon. member could ask his question later on.

[*Translation*]

Mr. Caouette: Mr. Chairman, I am waiting for the hon. member for Burnaby-Coquitlam (Mr. Douglas) to put on his earphone.

I have not been premier of Saskatchewan for 17 years, but it seems to me that I should also have an opportunity to express my opinion on this very important bill.

Section 3 provides that:

> Subject to this act, the corporation may make loans to a farm machinery syndicate for the purchase of farm machinery.

This is clear. The second paragraph reads as follows:

> Every loan made pursuant to subsection (1) shall be secured by
>
> (a) a promissory note, signed by each member of the syndicate, in which each member undertakes to be jointly and severally liable for the outstanding amount of the loan;

This reminds me somewhat of the winter works program which has been in operation for about two years and in which we require that the people doing some work under the winter works program sign a promissory note to the credit union or the bank in order to draw their salary. This is somewhat what would happen in the case of the farm machinery syndicates.

Mr. Chairman, if we speak about farm syndicates, we do not mean necessarily that only farmers organized together may avail

themselves of such legislation. Outside people, people who have nothing to do with farming might form a farm machinery syndicate with the purpose of buying farm machinery.

In clause 3—

Mr. Robichaud: No, they must be farmers.

Mr. Béchard: Why not read clause 1, first?

Mr. Caouette: I see, but we are now on clause 3.

The Chairman: Order. May I remind the hon. member that we are now studying an amendment concerning clause 3.

Mr. Caouette: Mr. Chairman, the amendment moved by my hon. friend from Acadia (Mr. Horner)?

[*Text*]

Mr. Béchard: He is the farmer's friend.

Mr. Robichaud: The small farmer's friend.

[*Translation*]

Mr. Caouette: No, Mr. Chairman. He must talk in favour of agriculture in his riding because due to the ever-increasing number of Social Crediters in the riding of Acadia, its representative would be a different person should elections be held today.

Mr. Chairman, I heard the hon. member for Acadia tell us a while ago that this bill was against the interests of the small farmer and he closed his remarks by saying that the same legislation or the same section favoured the small farmer. We are wondering what the hon. member for Acadia meant exactly.

I do not know whether he ever saw a farm in his life. He may have seen some, but when he moved his amendment, I wondered if seriously—

[*Text*]

Mr. Horner (Acadia): On a point of order, Mr. Chairman. I am sorry to interrupt the hon. member but I think he has misunderstood me and I feel that I should correct him immediately. At no time did I say that the bill or this clause, as it presently stands, would be of assistance to the small farmer. Either the translation was in error or the hon. member misunderstood what I said, and I want to set him right in this regard.

The Chairman: Order. May I suggest to the hon. member that while he may feel he should explain the situation, there is no point of order there.

[*Translation*]

Mr. Caouette: Clause 2 states that to belong to a farm machinery syndicate one has to have the approval of an organization of which most members are farmers.

Mr. Chairman, such a provision is not contrary to what I have just said to the effect that the hon. member for Acadia, instead of enlightening the house on clause 3, has only succeeded in confusing the house by moving his amendment.

Is the object of this bill really to help the Canadian farmer from whatever part of Canada he may be? There were and still are in western Canada, particularly in Alberta and Saskatchewan, farmers fully equipped to grow anything the land can produce. But the same situation does not exist in our eastern provinces. And when I hear people like the hon. member for Acadia who told us, at one time, that it did not help agriculture but, a minute later, that it did help, I am rather inclined to agree with the hon. member for Burnaby-Coquitlam (Mr. Douglas) who, after all, not only had responsibilities as an administrator in his province but who also had a knowledge of the situation through his contacts with the farmers in Saskatchewan.

In that part of the country, Mr. Chairman, there was no lack of farm machinery. And here, if I may digress, I would say that all my relatives, on my mother's side, have lived in southern Saskatchewan since 1909. That was quite a long time ago; they knew years of prosperity and years of despair, after the droughts that prevailed during 1934, 1935 and until 1938.

Mr. Chairman, there are tremendous possibilities in Saskatchewan, the hon. member for Burnaby-Coquitlam is aware of that. In that case it is not machinery that is lacking.

The hon. member for Acadia told us a while ago that this measure might help the farmer to take advantage of the agricultural machinery he needs to operate his land, that it might or might not help the farmer. He was so explicit that no one could understand a thing, just as the electors in his riding are unable to understand him, that is probably why he is here.

Mr. Chairman, people are not asking for agricultural machinery in the west. The western farmers are organized.

In the east, however, they may be needed in some cases. Neither machinery nor syndicates are lacking and our farmers are not deprived of good will. What we need is markets to sell our farm products.

The Chairman: Order. I must interrupt the hon. member to point out that the remarks he has been making for the past few

minutes are, in my opinion, far outside the scope of the clause under consideration and especially of the amendment moved by the hon. member for Acadia. It would seem to me that the hon. member for Villeneuve is now discussing the principle of the bill which was debated at the resolution stage, on second reading and during examination of clauses 1 and 2.

In the circumstances, I suggest to the hon. member that he restrict his remarks more specifically to the terms of the amendment and to the provisions of clause 3 now under study.

Mr. Caouette: Mr. Chairman, may I say what I think of clause 3 or will you restrict me only to the amendment? If you restrict me to the amendment only, I do not have much more to say, except that the hon. member for Acadia has not thrown any light on the discussion by his amendment and has not given us the opportunity to understand better the spirit or if you want to put it that way, the idea of clause 3, and especially of paragraph (2) which reads as follows:

(2) Every loan made pursuant to subsection (1) shall be secured by

(a) a promissory note, signed by each member of the syndicate, in which each member undertakes to be jointly and severally liable for the outstanding amount of the loan;—

The Chairman: Has the hon. member concluded his remarks?

Mr. Caouette: No, Mr. Chairman, I have not concluded my remarks, but some people are talking near me, and I cannot imagine how you can hear the reasons I invoke and the explanations I am giving.

So I will read again paragraph (2) of clause 3:

(a) a promissory note, signed by each member of the syndicate,—

If in a syndicate there are 15, 25 or even 30 members, each is personally liable for the loan granted under paragraph (1). In my opinion, it is not reasonable that everyone should be responsible for the whole amount of the loan.

It is fair that the syndicate as such be held responsible for the loan granted. It is still normal that everyone share the collaterals in such a loan. However, it should not be required that all farmers and settlers who formed a syndicate for the purpose of purchasing agricultural equipment be held individually responsible for the amount borrowed.

Mr. Chairman, section (3) of Bill No. C-121 clearly establishes that in such a case, the government does not pay, the Minister of Agriculture does not supply guarantees, but the farmers, the settlers and those who are members of the syndicate must endorse personal notes to guarantee the whole amount of the loan.

[The Chairman.]

Then the Minister of Agriculture will tell us that he was generous with the farmers. As usual, the real assets of the farmers and of the Canadian people are used to make or authorize loans; and then we are told that the government was generous—and how many governments were generous—toward the farmers of Gaspé, the Abitibi and lower St. Lawrence.

Mr. Béchard: They will remember it too.

Mr. Caouette: Mr. Chairman, I hear my good friend say they will remember it. Of course, they will remember it, when the time comes for them to pay back the promissory notes the government will force them to sign.

This does not mean that the hon. member for Acadia is very clear in his explanations. I have been listening to him for exactly 35 minutes. At the end of his speech we were no further ahead than at the beginning. The only thing he managed to tell us, and that is normal, is all the present government has not done. He forgot to tell us about what his own government, in power for seven years, forgot to do. This, then, is the true picture of the situation.

The Chairman: Order. I am sure the hon. member will recognize, once more, that his comments go beyond the scope of the clause now under study.

Mr. Caouette: Mr. Chairman, my remarks are confined to the section under consideration, as it is the case for my very good friend from Acadia who always follows the same standards of discussion.

On behalf of my party I wish to mention our desire to assist as much as possible our Canadian farmers in getting the farm machinery which would make things easier for them not only in one part of the country but throughout Canada.

When members from the various political parties realize the merit of what we are saying, I do believe, Mr. Chairman, that clause 3 will be amended in order to relieve our farmers and to urge the government to assist them further.

Mr. Martineau: Mr. Chairman, I have a few words to say in support of the amendment put forward by the hon. member for Acadia. I even believe that the hon. member for Villeneuve will share my views if I say that this

clause, as drafted, is such as to destroy one of the most efficient and valuable assets of the Canadian farmer, that is his credit.

In fact, to require a farmer who borrows under the provisions of this legislation to be jointly and severally liable for the loan, is to place upon him an overwhelming burden detrimental to his interests.

As the hon. member for Dauphin said this afternoon, if this commitment is undertaken jointly and severally, it means that the individual farmer, that is each farmer who becomes a member of a syndicate, shall be responsible, individually, for the sum of $45,000. This, added to the loans he may have already obtained under the federal Farm Loan Act, the provincial farm loans acts, or the Farm Improvement Loans Act, means that the farmer may incur a debt up to a maximum of about $80,000. This is a burden which he certainly cannot bear. And it is a burden a solvent farmer must meet should the other members of the syndicate become insolvent and unable to meet their debt.

In my opinion, such provision should be deleted absolutely, as suggested in the amendment of the hon. member for Acadia.

And I repeat the argument expressed the other day by my colleague from Berthier-Maskinongé-Delanaudière (Mr. Paul), to the effect that what the farmer needs is not additional borrowing facilities, which would allow him to get further into debt, but the means of obtaining additional sources of income.

In regard to this same clause—and I believe this concerns also the amendment—I wish to call the attention of the minister on paragraph (b) of subsection (2) of clause 3, which reads as follows:

> such other security, including a mortgage on the farm machinery purchased with the loan, as the corporation may require.

The minister has spoken of mortgages on farm machinery purchased through a syndicate. However, there are no chattel mortgages in the province of Quebec and, consequently, this provision would not apply to Quebec farmers who might borrow under this bill. In addition, I do not think the provision concerning the mortgage on the farm machinery is appropriate in the circumstances because, according to the civil code of the province of Quebec, such a mortgage is an actual loan and can be given only if the lender has the physical possession of the thing given as security.

If that is the case, the provision is obviously useless to farmers.

There again, you have an instance of thoughtless drafting and I believe that this proves that all this legislation is obviously defective, to such an extent that, in my opinion, it is unacceptable. Either it should be referred to a committee, or the minister should reconsider this legislation which, to use the colourful words of my colleague from Berthier-Maskinongé-Delanaudière is very badly made up.

[*Text*]

Mr. Danforth: Mr. Chairman, this afternoon I posed some questions to the minister in regard to the very point we are dealing with tonight, namely the farmer's liability and his credit rating if the bill should go through in its present form. The minister was not able to answer my questions this afternoon and I hope that he has obtained the information during the dinner hour. Perhaps if I put the question in a different manner he will be able to provide an answer tonight. Let us take the provision as set out in the bill and assume that a member of a syndicate has signed a promissory note for the total amount, which could be $75,000. If he has been accustomed to operating his farm with $25,000 credit at the bank, is it not true that the very fact he has signed a promissory note for $75,000 will destroy his credit rating at the bank? That is the first question.

Second, when a farmer approaches the Farm Credit Corporation for a loan under the terms of that act they are determined that the amount he borrows shall cover his entire financial obligation as an applicant. Is the liability of a member of a syndicate as far as the Farm Credit Corporation is concerned the $15,000 that he has perhaps borrowed under that act, or is his liability in approaching the Farm Credit Corporation the total amount of the obligation assumed by the syndicate? Perhaps in this fashion we can find out how the minister feels the credit rating of a farmer borrowing under the terms of this legislation would be affected.

Mr. Hays: If I may answer the second question first, he would not be responsible for as much personally if he was sharing the obligation with 10 or 12 neighbours, or half a dozen neighbours.

Mr. Danforth: Only his own obligation?

Mr. Hays: It would depend on the security. Supposing he was a feeder and he wanted to purchase a mixing machine which would cost in the neighbourhood of $22,000. Supposing there were 22 members sharing this machine, then it would mix feed for the whole 22 farm-

ers. If he were living in the eastern townships, this piece of equipment would save him in the neighbourhood of $3.50 or $4 per ton. This machine would mix his feed for a month, and he could use his home grown grain or he might be purchasing it by the carload from western Canada. I am sure that this syndicate would be advantageous to him, and the purchase of the machine would be advantageous in so far as his bank credit was concerned if he were operating under section 88 of the Bank Act. He may be feeding 300 head of cattle and he may have a 90 day feeding operation, or 120 days. If I were the bank manager I would look very kindly on his operation, because he could get his feed at a saving of $3 or $4 a ton. This purchase would be financed over seven years.

A lot depends on how you are financed, what your current obligations are and what your current revenues are. There are all kinds of people who borrow substantial amounts of money to perform certain operations in so far as agriculture is concerned. All we are saying of this bill is that this group of farmers can borrow money to do this sort of job. I do not believe it will hurt a farmer's credit at all. I think it would enhance his credit because it would make him a much better risk than he would have been otherwise.

Mr. Danforth: I do not believe the minister appreciates my approach to the problem. I will try to put it in another way. If I had to assume, as a member of a syndicate, an obligation of $75,000, by way of a promissory note, and I wished to borrow from the Farm Credit Corporation myself to buy more land, I am asking the minister this: When the Farm Credit Corporation approaches my total liability do they consider it to be the $15,000 that I have actually borrowed or the entire $75,000 that I have assumed by way of promissory note? This would make a great deal of difference in my credit rating with the Farm Credit Corporation.

Mr. Hays: You would be responsible on that obligation, as would the others. I think the person who was lending money for the purchase of additional land so you could enlarge your operations would be guided by your ability to pay. I believe all loans are made on this principle. We are setting up certain hypothetical cases which make the borrower look bad. People borrow money with the intention of paying it back. Sometimes it is easier to pay back a large debt than it is a small debt. I think we have to go back to the general meaning of this bill. It is designed to give three or four smaller farmers who wish to buy a certain amount of equipment which ordinarily they could not buy, an opportunity to do so.

Let us take the growing of corn as a good example. A couple of years ago we imported something like 30 million bushels of corn from the United States. This represented a tremendous amount of corn to me. We thought when we sold Russia 239 million bushels of wheat, it was fantastic. However, this sale represented one bushel per Russian. We imported 1.5 bushels per Canadian. Let us just tie these things together. We are really sort of a small nation now. With the proper kind of equipment we can grow this corn in this country. A person who is going to purchase corn picking equipment cannot afford to do it for ten acres. But it can be done for 300 acres. Now we are speaking of 30 farmers. I could go on and on to indicate places where there is justification for groups of farmers buying specific pieces of equipment that will make it easier for them to produce.

Mr. Danforth: I appreciate the general information the minister is giving, but can he tell me if my credit liability with the Farm Credit Corporation would be the $15,000 I actually borrow or the $75,000 that I have assumed by way of promissory note?

Mr. Lambert: My remarks tie in with the nature of the security that is being requested in clause 3, as well as with the amendment put forward by the hon. member. I wonder if the minister appreciates the situation with regard to the type of security he is going to be enforcing as it applies across Canada. We know that the promissory note is a joint and several one. I do not agree with the minister as to what several liability means. In other words, if I am potentially liable on a note for $75,000, that is the fact in which the man I go to see is interested. Am I possibly going to be liable for $75,000? The minister must agree that is a possibility.

However, I am not sure that the minister, even though he comes from Alberta, is fully aware of the complications that arise under the chattel mortgages act of that province in connection with enforcing a security. This is not going to be a conditional sales agreement proposition because the Farm Credit Corporation will have to take a chattel mortgage on the machinery. Under the chattel mortgages act of the province of Alberta, if you are going to proceed under a chattel mortgage, the chattel mortgage is limited to the machinery in question. You must elect

to proceed under either the chattel mortgage or the promissory note. If you proceed under the chattel mortgage to seize the machinery, then any unrealized balance on the forced sale of that machinery goes by the board.

Let us, for example, say that a machine worth $60,000 was purchased by paying 20 per cent down. There will be $40,000 on the chattel mortgage. Suppose the chattel mortgage is reduced to $35,000 and difficulties arise so that the corporation must realize on its chattel mortgage. Then, the machinery is only worth $25,000. I will tell the minister that under the law of Alberta the corporation will be stuck for $10,000 because it cannot then proceed personally against the makers of the note. On the other hand, if the corporation decides it is not going to move under the chattel mortgage but proceeds on the note, it obtains a judgment. Then the corporation could not attach any of the machinery in question because the provisions of the chattel mortgages act are immediately brought into play. This act limits the corporation, as a judgment creditor, to the value of these particular goods. Of course they are subject to the exemptions act of that province.

I am describing a condition that applies particularly to the province of Alberta. I am mentioning this because the corporation, in order to get the proper amount of security, will insist on something more than a chattel mortgage. It may take an additional chattel mortgage on all the cattle that are on the farm. After all, I think the Farm Credit Corporation officials will be quite aware of how the farm loan board used to proceed, and they used to tie up everything in order to protect the corporation.

I am pointing out certain difficulties in connection with the law, wherein the situation protecting borrowers in Alberta is different from that which prevails in other provinces. I will be very interested to see what type of regulations will be drafted, because the officials of the Farm Credit Corporation are not that naïve, and I rather anticipate what their recommendations will be to the minister with regard to adequate security to protect any borrowings under this bill.

The more security the Farm Credit Corporation seeks the more a borrower will be tied up. He may say, "All right, I will borrow for this machinery," but he will find every other avenue of credit to him has been closed off, and it may take some very fatherly advice on the part of the officials of the corporation to tell a man he should not borrow under this bill.

Mr. Hays: Mr. Chairman, at one time I had about 12 lawyers working for me. They were all good fellows but they used to get into arguments like this for hour after hour. As Minister of Agriculture I have indicated to the department the way we want this bill to operate, and the Department of Justice has agreed with all of the things we have suggested and is agreeable to our regulations. We are not promoting this bill in order that it will not work. The Department of Justice says we are right on this, and I would point out that it is that department's lawyers which guide the Farm Credit Corporation. I do not profess to be a lawyer and I know we could argue all night about this sort of thing, but I know the Farm Credit Corporation is going to administer this bill. We in the government know the intent of this bill. We know what we wish it to do for the farmers and I can assure you, Mr. Chairman, that so long as I am Minister of Agriculture this is what it will do, and we shall not lose any money on it.

We have been discussing this bill for six days. I have been doing a little calculation here and I find there are about 37 items of business on the order paper, and if they all take as long as this we will be here 222 days before we get all the government business done. We are prepared to go ahead with this bill, which is to aid the farmers. We have had the Department of Justice work on it, and we have had the Department of Finance look at it. Similar legislation works in Britain and in France. We have taken a look at their schemes and put their best features together, and these will be in the regulations along with the bill.

Mr. Lambert: In reply to that, I am as interested—

The Chairman: Order please.

Mr. Lambert: —in putting proper legislation on the books and—

The Chairman: Order please.

Mr. Lambert: —I will not have the minister say that I am going to participate—

Some hon. Members: Order.

The Chairman: Order. Would the hon. member resume his seat. I am wondering if the hon. member for Edmonton West has just an additional question to ask, because I would like to point out to him that a number of other hon. members have been rising

in the hope of taking part in the debate. Was the hon. member following up the previous question he asked and, if he was, could he make it short in order to give other hon. members an opportunity to participate?

Mr. Lambert: It is not a further question. It would be a commentary on some of the, I think, lighthearted remarks the minister made; but I will leave it as it stands.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I have not yet had an opportunity to say a word about Bill No. C-121 the Minister of Agriculture is submitting. I did not take part in the debate on the bill at the resolution stage, nor at the first and second reading. When clauses 1 and 2 were called I did not say a word. But with regard to clause 3 I would like to say a few words and so ask the minister this. There is already a farm loan act in the province of Quebec. All well and good. There is also Bill No. C-121 which may be useful. On the other hand, there is just one thing I would like to ask the Minister of Agriculture and that is, will the Quebec farmers be able to get loans more easily under Bill No. C-121 than they have been able to under the Farm Loan Act?

I am entirely in favour of the act, but as it happens there is a shortage of inspectors, investigators, and agricultural advisers. No matter how many pieces of legislations are passed, if no loans are made, what is the use?

I should like the Minister of Agriculture to tell us that in the province of Quebec the staff will be increased, that the number of officials in charge of the administration of the Farm Credit Act, the number of officials required for a sound implementation of this Bill No. C-121 will be increased in such a way that the farmers of the province of Quebec can obtain loans.

When I was elected in the riding of Lapointe in 1962—

The Chairman: At this stage, may I interrupt the hon. member to point out to him that according to the rules, he must restrict his comments to the clause now before us, that is clause 3 on which an amendment was moved by the hon. member for Acadia (Mr. Horner).

Mr. Grégoire: I was precisely discussing clause 3 which deals with loans. I was saying it was desirable that they should be made equitably. I was also discussing the amendment because it deals with the provision liable for the total value of the farm machinery they could use.

For the information of the minister, in 1962, the Farm Credit Act under which loans were granted was already in force. In Saskatchewan, they had an average of four farm credit advisers for each riding, while in my district, at that time, there was only one for four ridings. That means 16 times less. Moreover, that person, instead of being there 30 days per month, was there for only one day.

However, the situation has improved and now we have two or three, in the four ridings, although there are at least four in each riding in Saskatchewan, Alberta or Manitoba.

There are only two or three in the four ridings of our region. Therefore, inevitably, this means fewer loans because there are fewer investigators. It would be the same thing for Bill No. C-121.

The minister stated that six days were devoted to the study of this legislation. I shall not even talk six minutes on the subject, but if he will kindly pay attention to my remarks that will be sufficient.

I am in favour of this bill and of the one regarding farm credit. But what we need to make such a bill effective in our section of the country is a sufficient number of officers within the department to make the necessary investigations, give the proper advice and make loans.

I would like to know if the minister is ready or willing to increase the number of his employees in our district. Right now we only have two Farm Credit Corporation counsellors for the four counties while there are four for one single county in certain parts of the country.

Will the minister be prepared to increase his staff so that those acts will become really effective? Since our agriculture is not the same as in the west, would he at the same time ask his staff to adapt the loans method to the type of agriculture which prevails in eastern Canada?

To give an example concerning Bill No. C-121, if a farmer has a farm where he grows wheat, he needs a tractor, machinery, etc. This machinery can be loaned by one farmer to the other, and several farmers can use the same tractor. But in my riding, if a farmer who owns a stable in which he keeps between 25 and 30 cows wants to have a stable cleaning machine, he will not be able to set up a syndicate with four or five other farmers to buy a stable cleaning machine for the use of one and all, because those machines can be installed only in one barn and once they

are installed, they cannot be moved from one barn to the other.

Now, did the minister think of these machines which cannot be moved from farm to farm, such as stable cleaning machines and automatic milking apparatus?

I hear one of the barkers of the Liberal party; I am used to hearing them, but could they not keep silent, because it is obvious that they do not know anything in that field?

The minister knows very well that a stable cleaning machine or an automatic milking apparatus cannot be moved from farm to farm.

One cannot ask a syndicate made up of three, five or ten farmers, who operate a herd of 25 to 30 head, to purchase a litter carrier, an automatic milking machine or some other machinery of this type.

First of all, would the minister be prepared to ask his officials in the province of Quebec to adapt themselves to the agricultural conditions prevailing in eastern Canada and then, could he increase his personnel so that the legislation may not remain dormant in the statute books, but that it may become operative?

Those are the two things I ask him to do, and I think they are quite reasonable.

First of all, let us have an adaptation to Quebec agriculture and, second, an increase in personnel so that the legislation may be effective in helping eastern farmers. I should like to get an answer from the minister in that regard.

[*Text*]

Mr. Hays: Mr. Chairman, I think the hon. member certainly has a point. The staff has increased up to about 32 from four, I think, in the last couple of years. So far as loans from the Farm Credit Corporation are concerned, since the first of the year they are up 23 per cent. Up to September 30 they are up over $80 million and I believe Quebec's percentage is even more than most of the other provinces. So there is room for more officials and that sort of thing, and we are looking at this matter all the time.

Mr. Martineau: Mr. Chairman, can the minister say what is the average loan in the province of Quebec?

Mr. Hays: I do not have the exact figure but I think the average loan last year, if my memory serves me aright—I will correct it tomorrow if I am wrong—is for a greater amount than any other province in Canada.

Mr. Martineau: What is it though?

Mr. Hays: Around $12,000 to $13,000, speaking from memory, but as I say I will correct this tomorrow if I am wrong.

Mr. Martineau: Well, that is the point. If—

The Chairman: Order, please. The hon. member for Lapointe wanted to ask another question and since he made the original contribution perhaps I should allow him to ask this additional question. Then I will come back to the hon. member for Pontiac-Témiscamingue afterwards.

[*Translation*]

Mr. Grégoire: Mr. Chairman, to admit that the minister is right, I must say that when the Liberal government came into office the whole of the province of Quebec had been granted for the previous year, 109 loans in 75 federal constituencies, while last year as many loans were granted in the four constituencies of the Saguenay-Lake St. John area alone. It is indeed an improvement—I am not afraid to say it—which has taken place in our constituencies alone.

However, I must say one thing; this figure is nevertheless 400 per cent lower than the loans granted in Alberta, Saskatchewan and Manitoba.

It is true that last year in the province of Quebec about 800 loans were made in the 75 ridings, compared to 1,950 in the province of Saskatchewan, 1,910 in Manitoba and 1,880 in Alberta. Even if in the past only 109 loans were made in the province of Quebec and even if that number was increased eightfold last year, I still believe the situation could be greatly improved. We would like to know how many applications for loans were made in my riding? Last year 90 applications were made and about 25 loans were granted; there had been only five or six the preceding year. It is nevertheless an increase of 500 per cent, and I commend the minister for it.

But what is the reason for this state of affairs? There are not enough inspectors. Since in the past our farmers often did not have the same service they had lately, they need more information, they must vary their crops, the inspector or the official has to remain with them longer in order to help them. Consequently, there is a lack of personnel.

Now, there were only—

The Chairman: Order. The hon. member seems to be straying from the matter under consideration.

I know that he is dealing with loans. Could the hon. member resume his seat for a few

minutes so that the Chair could try to explain its point of view, namely that the hon. member surely goes beyond the scope of the section now before us?

He is referring at present to the administration of legislation other than the one now proposed. Therefore I urge the hon. member to limit his remarks as much as possible to the administration of the present piece of legislation.

Mr. Grégoire: Mr. Chairman, I will endeavour to remain as much as possible within the limits of the debate on this bill. Only the Chair knows as well as I do that whenever a wise man wants to make a decision, he has to go back to past events to make it sounder.

History has always been the first lesson taught to modern man, because things have a way of recurring. That is why history is taking such an important place in classical studies among students who want to become great statesmen.

In applying this principle, I am trying to use what has happened in the past as a lesson in considering this legislation, because the past constitutes a precedent which will enable us to improve as much as possible Bill No. C-121 and apply it in a better way than preceding legislation has been applied.

If this legislation is to operate efficiently, the flaws detected in previous legislation must be carefully avoided.

Under the former legislation, namely the Farm Credit Corporation Act, which is related to this bill, our province and the other eastern provinces lacked a sufficient number of inspectors; though they proved their good will by endeavouring to grant the largest possible number of loans, they could not cope with the task. We do not wish the same causes to produce the same effects in the case of Bill No. C-121 as happened with the act respecting the Farm Credit Corporation Act, that is, that it become inoperative through a lack of personnel.

The personnel of the Department of Agriculture is efficient. I can pay a well-deserved tribute to the employees of that department who work in our district. However, they are overworked to such an extent that they cannot visit all farmers who require assistance. This situation should not occur again as concerns the administration of Bill No. C-121.

I would ask the minister to see to that. There have been improvements. The minister gave us a few statistics. The request for loans has increased eightfold in my riding and in the neighbourhood, but that is still four times less than in other provinces.

Let the minister send two officials for every riding instead of two for four ridings. Let him send two in my own riding. Considering that there are four in Saskatchewan, Manitoba and Alberta, I would be satisfied if he sent us two, because they could be of some use to the farmers and the implementation of the act would not be delayed for two or three years. That would be an improvement in our district and we could speak of crop insurance later on.

We will ask that crop insurance be applied—

[*Text*]

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

Mr. Nasserden: It is rather a point of privilege, Mr. Chairman. The hon. member for Lapointe said there are four inspectors for each of these points in the west. I think he is departing very far from the truth when he says that. There certainly are not four per riding.

[*Translation*]

Mr. Grégoire: Mr. Chairman, on the point of order. I do not know what province the member who has just spoken is from. If he is from Saskatchewan I can tell him that in that province out of 16 constituencies, 13 are rural and that there are 38 farm loan inspectors. If he will work out the average it is a little over 3½, or slightly under four, let us say.

The hon. member should study his statistics. I did so several months ago and I know them fairly well. I know there are a lot more than in our constituencies, from 3½ to four on an average. If he will take a look at the farm loan board reports he will see that I am not as far from the truth as he alleges.

To get back to what I was saying, our agriculture can be improved if we increase the number of people responsible for administering Bill No. C-121 as was done for the Farm Loan Act.

There is also another piece of legislation to be brought forward, the crop insurance legislation. It is to be applied concurrently with Bill No. C-121, Mr. Chairman, and it is important, because if the eastern farmer does not have a guaranteed income from his crops, the guarantee in regard to payments on his equipment will be void, because in order to pay for his farm machinery Bill No. C-121, the farmer will have to make some profit, otherwise, he obviously would be unable to pay back his loan.

Then crop insurance which is being talked about will be one of the guarantees which will allow the farmer the required income to pay for his equipment.

I would also ask the minister to bring forward the crop insurance legislation right after Bill No. C-121 has been passed and adapt it to the province of Quebec.

Mr. Martineau: Mr. Chairman, I should like to make just one comment with regard to the answer given earlier by the minister when he said that in the province of Quebec the number of loans reached 60. If it is so, we are very glad.

I remember that following the new legislation on farm credit the number of farm loans in the province of Quebec had substantially increased under the former administration.

I should like to point out now that credit facilities are already available to farmers. The Farm Credit Act allows him to borrow, in some cases, up to $30,000 and the minister stated that the average loan amounted to $12,000 or $13,000, which means that the credit facilities for loans of $17,000 or $18,000 already provided in the act, are not put to use. That is why I think that it is more important to pass legislation which would bring about an increase in the farmer's income rather than to make available to him other means of getting farther into debt since he does not yet put to use all the credit facilities already available to him.

[*Text*]

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Some hon. Members: No.

The Chairman: The hon. member for Acadia.

Mr. Whelan: Filibuster.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I rise on a question of privilege.

It is our right to discuss the laws which are brought before the house. The member for Bonaventure (Mr. Béchard) and the member for St. Denis (Mr. Prud'homme) wish to violate the privileges of the members of the house by trying to keep them from speaking.

If they know nothing about agriculture and if they have no desire to help the farmers of their constituencies, they can at least allow others to speak.

I am discussing a question of privilege, Mr. Chairman, and the member for Bonaventure will certainly not prevent us from speaking in the house.

The Chairman: Will the hon. member for Lapointe come to his question of privilege?

Mr. Grégoire: Yes, Mr. Chairman. My question of privilege is as follows. It is our duty as well as our right to stand up for the interests of our constituents in the house. The hon. member for Bonaventure, who remains seated without saying a word, except for grumbling, is not going to prevent us from doing so, nor is the hon. member for St. Denis.

For many evenings they have been here and they have not stopped grumbling. They talk during the elections, but at no other time.

The Chairman: Order. May I ask the hon. member to resume his seat. He explained the point he had raised previously and I am of the opinion that a question of privilege cannot be debated at this stage of the work of the committee.

Therefore, I suggest that members forget the difficulties that occurred and I recognize the hon. member for Acadia.

Mr. Grégoire: Mr. Chairman, you could at least call them to order when they are out of order. If they do not want to see about the plight of their farmers, we on our side of the house want to do so.

Mr. Béchard: You are always out of order.

[*Text*]

The Chairman: Order. The hon. member for Acadia.

Mr. Horner (Acadia): Mr. Chairman, I have been quite interested in the remarks made since my amendment was moved. Many members have spoken. I feel that I should tune in to these remarks from across the way; they may be interesting.

The Chairman: Order.

Mr. Horner (Acadia): I would hate to miss any wise comments that may be made from that side of the chamber. Much of the debate since I moved the amendment has dealt with the application of the Farm Credit Corporation. I have no particular complaint to make with regard to how the act is administered; in fact I think the chairman and the members of his organization have been doing a tremendous job all across Canada. But here we are concerned with a new act under which the corporation is to be given the authority to

administer and regulate these loans. The minister complained that we are holding up the business of the house—

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): —and he figured it out and counted up the days spent on estimates. I know the minister is anxious to put this piece of legislation on the books.

Mr. Davis: Talk it out.

Mr. Horner (Acadia): I am going to talk until ten o'clock. If you are worried, fine. You don't have to help me, because I have a great deal to say and it will take me more than the next three minutes.

Mr. Greene: Will any of it make sense?

Mr. Horner (Acadia): There is no object in my pleading the case of the small farmers, if it is falling on deaf ears. If members opposite want to continue to howl like jackals, fine; I can stand here in silence. The minister complained about myself and other hon. members holding up this piece of legislation.

Some hon. Members: That is right.

Mr. Greene: It is on the record.

The Chairman: May we have order. It is very difficult for the Chair to follow the remarks of the hon. member.

Mr. Horner (Acadia): There is nothing further from my mind than holding up this legislation. I have been sent here by the farmers in my riding to do a job. If it takes me an extra hour this evening, I am prepared to ask that the committee sit an extra hour. I will stay here—

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): —if it takes me an extra hour to make my point. If it is necessary in order to make this legislation applicable to the small farmers in my riding, I will spend two hours or three hours extra this evening.

Some hon. Members: Hear, hear.

Mr. Horner (Acadia): The minister complained about our holding up legislation by making inquiries this afternoon. All he had to do was put this matter before the agriculture committee and then this house could have proceeded with something other than this particular measure. If this question had been sent to the agriculture committee we could have had officials appear before us; we could have inquired to our hearts' content into this measure without holding up any of those pieces of legislation that are on the order paper. I draw this to the minister's attention because he complained that we were filibustering or holding up legislation that is on the order paper.

I am doing my job as I see it. If I am wrong, fine. I moved an amendment after asking the minister a question. The minister answered that question. He said that if I joined a syndicate and the total assets of my farm were $5,000, and I signed a promissory note for $45,000, it would be of little or no value. He did not say that exactly, but that is what he meant. If hon. members opposite dispute that, *Hansard* will prove that I am right. I will deal with this question tomorrow and I will read it to them from *Hansard* when this debate resumes. If hon. members opposite think that the minister implied something different, that is what he said; or that is what I interpreted him as saying. In that event, Mr. Chairman, I say that this bill as it now reads and this particular clause as it now reads will not help the small farmer. That is what prompted me to move the amendment.

I see it is ten o'clock. I am pleading the case of the small farmer, and if the committee agrees to sit longer I am prepared to do so.

Some hon. Members: Sit down.

Mr. McIlraith: Mr. Chairman, in view of the willingness of the hon. member to not see the clock for a few moments, I wonder if we could continue.

Some hon. Members: Agreed.

[*Translation*]

Mr. Grégoire: Mr. Chairman, in view of the fact that the Liberals are too tired to go on sitting, that they are nervous and spend their time chatting, I think it would be preferable to call it ten o'clock; it would allow them to take a rest.

[*Text*]

The Chairman: Is it the wish of the committee that I call it ten o'clock?

Some hon. Members: No.

[*Translation*]

Mr. Grégoire: Yes, Mr. Chairman. Because of the nervousness shown by the Liberal members I believe it is better to call it ten o'clock.

[*Text*]

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

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask the acting house leader what the business of the house is for tomorrow?

Mr. McIlraith: Mr. Speaker, I regret to have to advise the house that the business for tomorrow is exactly that which was announced on Friday for today.

Mr. Churchill: What is the forecast for Wednesday? Will we be on estimates or on legislation?

Mr. McIlraith: I am sorry I am not able to give that information.

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

HOUSE OF COMMONS

Tuesday, October 6, 1964

The house met at 2.30 p.m.

VETERANS AFFAIRS

Second report of standing committee on veterans affairs—Mr. Forgie.

FINANCE

AUTOMOBILES AND PARTS—REPORTED AGREEMENT RESPECTING TARIFF REDUCTIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Finance and ask him whether, as reported in one or more of the financial papers, a plan has been arrived at which was allegedly revealed to the Canadian auto parts manufacturers last week, whereby the elimination of tariffs on automobiles and automobile parts will be brought about between Canada and the United States, in effect setting up a free trade arrangement therein between these two countries.

Hon. Walter L. Gordon (Minister of Finance): I am sorry, Mr. Speaker, but I did not catch the question part of the question.

Mr. Diefenbaker: Has such a plan been arrived at and was it revealed to the Canadian automobile parts manufacturers last week?

Mr. Gordon: No, Mr. Speaker.

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, I should like to direct a question to the Minister of Industry and ask him whether any consideration is being given by the government to a plan whereby there will be a removal of or substantial reduction in both United States and Canadian tariffs with regard to automobiles over a period of four or five years, accompanied by a gradual increase in the total share of the North American market available for Canadian plants. Has any consideration been given to that?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am sure the right hon. gentleman would agree with me that the prospect he has just outlined is one which all Canadians would welcome, and were the government able to bring about a situation in which there was a substantial reduction in the barriers to North American trade, accompanied by a corresponding increase in production in Canada, all would welcome it. Naturally consideration is being given to the best means of achieving precisely these objectives.

Mr. Diefenbaker: Would the minister say whether a report in the *Financial Times* to the effect that a major step was taken last week when the plan was revealed to Canadian automobile manufacturers, who are expected to discuss it with their U.S. parent companies, is correct?

Mr. Drury: Mr. Speaker, I do not think it would be appropriate for me to comment on the orders of the day on the correctness or otherwise of newspaper reports. If the right hon. gentleman seeks some specific information I would be glad to give it to him.

Mr. Diefenbaker: I am after information, Mr. Speaker. Did the minister discuss this question last week with Canadian automobile manufacturers, and was it suggested that they should discuss it with their U.S. parent companies, to the end that progress could be made in this connection?

Mr. Drury: I did have a discussion with the automobile manufacturers of Canada regarding the problems they were facing, in order to increase Canadian production. We did explore a great many of these problems and a number of possible solutions to them. I may say that during this discussion no conclusions were reached.

Hon. Michael Starr (Ontario): I have a supplementary question, Mr. Speaker. May I ask the Minister of Industry whether any conclusions were reached in his deliberations with the automobile parts manufacturers last week in this connection.

Mr. Drury: The same answer, Mr. Speaker.

Inquiries of the Ministry

UNION CARBIDE SHARE ISSUE—PURCHASE BY CANADIANS

On the orders of the day:

Mr. Marvin Gelber (York South): Mr. Speaker, could the Minister of Finance tell the house whether the recent share issue by Union Carbide Company of Canada, Limited, which has been so well subscribed, is largely held by Canadians?

Some hon. Members: Order paper.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the underwriters called me yesterday and said this particular issue had been greatly oversubscribed; that there was a geat demand for these shares by Canadians. Practically all of them were sold to Canadians and, as they put it, it was all due to legislation which has been enacted by this parliament.

Some hon. Members: Oh, oh.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the question I am about to ask is not a planted one. What will be the effect on the Canadian taxpayer of this transaction, and how much will it cost? Is it correct that this transaction will cost the Canadian taxpayer $10 million, as reported yesterday by Mr. Meyer in the Montreal *Gazette;* and would the minister while speaking as the proponent of this wonderful legislation indicate what are the advantages to the Canadian economy of $60 million which is to be invested by Canadian taxpayers in a United States subsidiary operating in Canada, the same $60 million thus being removed from investment in Canadian enterprises? Is that the objective of the policy of the government?

Mr. Gordon: Mr. Speaker, while my right hon. friend's question was not planted I think we will all agree it was well cultivated.

Mr. Diefenbaker: All my questions are.

Mr. Bell: Don't you put any fertilizer on it.

Mr. Gordon: The hon. member suggests I should not try to fertilize it. I think it is the kind of question which tends to fertilize itself.

As to the first part of my right hon. friend's question, I am not quite clear which newspaper columnist calculated how much this was going to cost the Canadian taxpayer. Actually this transaction involves the payment of a substantial dividend prior thereto on which there will be a substantial withholding tax which will accrue to the advantage of the Canadian treasury. Apart from that, this transaction means that Canadians are being given an opportunity to participate in the ownership of a very large Canadian company which has been prosperous in the past, and which I hope and expect will be prosperous in the future. To that extent the investors should all benefit and I hope they will.

I am not sure about the last part of the question. It seemed to me it rather reflected doubt on whether Canadians should be encouraged to acquire an interest in Canadian companies in their own country. Personally I am all for this.

Mr. Diefenbaker: Mr. Speaker, so there is no mistake about this, may I say the inference drawn by the Minister of Finance is, as always, entirely in error. What we are saying is that the plan in question is not working out. I ask the minister this. According to Mr. Meyer this one transaction will immediately cost the Canadian taxpayer $10 million. Is that statement of Mr. Meyer's correct?

Mr. Gordon: Mr. Speaker, I do not know how it would cost the Canadian taxpayer $10 million. Did my right hon. friend ask or does he know what Mr. Meyer had in mind? I did not happen to read the article.

Mr. Gelber: Mr. Speaker, can I ask whether the Minister of Finance could tell the house if Union Carbide have made similar issues in other countries?

Mr. Gordon: Mr. Speaker, the officials of the company informed me some weeks ago that they have made similar issues, or that their subsidiaries in other countries had made similar issues, and that this has all worked to the best advantage of everyone concerned.

THE CANADIAN ECONOMY

REPORTED STATEMENT BY INDUSTRY MINISTER RESPECTING EMPLOYMENT OPPORTUNITIES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I want to ask the Minister of Finance a question which I directed to the Prime Minister last week and which he promised to look into. In view of the statement by the Minister of Industry in a speech in Montreal to the effect that the Canadian economy is not growing fast enough to provide sufficient employment opportunities for

the growing labour force, and in view of the fact that the figures just published show that the gross national product for the last quarter did not increase substantially and that the non-farm sector declined slightly, does the minister plan to introduce any emergency measures to stimulate the growth of the economy?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, dealing with the middle part of my hon. friend's statement about the growth of the gross national product, I would point out that in reply to a question from the Leader of the Opposition last week or the week before, I explained that the gross national product for the second quarter of this year was some 8.2 per cent higher than for the corresponding quarter a year ago, so that any suggestion that there has not been growth needs a little explanation.

In the way the statistics came out there was a statement to the effect that there had been no increase in the second quarter over the levels of the first quarter. This was because of the various policies designed to push some of the activities that normally occur in summer back into the winter months, to relieve unemployment during the winter. But I can assure my hon. friend that the economy would seem to be going along at a very satisfactory clip. I have said on other occasions that we do not expect the figures will show an upward surge in the quarter that ended in September, but we do expect a further upsurge in the last quarter, the current one, and it seems probable that the total increase for this year over last year will be of the order of 8 per cent.

In these circumstances I do not think any crash emergency programs are called for, although I can assure my hon. friend that the officials of my department and I are working on various measures that might be needed if the economy should turn up too far or if it should turn down, but at the moment there is no sign of that.

Mr. Douglas: As a supplementary question may I ask the minister whether the very optimistic statement he has just made is not in disagreement with the statement of the Minister of Industry, to the effect that the economy is not growing fast enough to provide sufficient jobs for the growing labour force?

Mr. Gordon: Mr. Speaker, I am ashamed to say I have not read the speech of the Minister of Industry who, as some hon. members of the house know, is my brother in law. I suppose this will get me into a lot of trouble, but I shall see if I can get a copy of the speech and read it. In the meantime I remain optimistic.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO MEASURES TO REPLENISH FUND

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, may I direct a supplementary question to the Minister of Labour in connection with the speech of the Minister of Industry just referred to by the hon. member for Burnaby-Coquitlam. What does the Minister of Labour propose to do to build up the unemployment insurance fund?

Mr. Speaker: Order, please. This is a very wide question which could hardly be expected to be answered on orders of the day. Perhaps the hon. member would put it on the order paper.

MONTREAL—BENEFITS TO LONGSHOREMEN SUSPENDED BY INTERNATIONAL UNION

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): I should like to direct a question to the Minister of Labour.

Last week I asked him some questions concerning the Montreal dockers who were dismissed from their jobs by their union. I asked if they would get unemployment insurance benefits, and the minister was to give me an answer by the end of the week.

He was not here yesterday, but is he today in a position to tell us if those dockers will receive unemployment insurance benefits?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Claims involving two longshoremen were decided by an insurance officer in Montreal and those two claims for benefits, as I understand it, were disqualified because in the opinion of the insurance officer the men had restricted their availability for work. They were therefore disqualified under that particular provision of the Unemployment Insurance Act. It was pointed out to these claimants that they are free to appeal this decision to the board of referees.

[*Translation*]

Mr. Caouette: Mr. Speaker, I would like to ask an additional question.

Did those men appeal that decision?

Inquiries of the Ministry

The minister is certainly aware of the case. These men are dockers or stevedores in the Montreal harbour. We are told that they refused work. They did not refuse to work; they were dismissed by their union.

Will the minister give specific attention to those cases?

[*Text*]

Mr. MacEachen: These cases have been dealt with by an insurance officer as provided in the law. The insurance officer has determined that these men had restricted their availability for work; it is on this ground that benefits have been denied. But the applicants have been advised that they are entitled to appeal this decision to the board of referees. The hon. gentleman will realize that under the law the insurance officer in the first instance, the board of referees and finally the umpire have total and complete jurisdiction with regard to the determination of a right of this kind.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to put a supplementary question to the Minister of Labour.

Is it his intention to look into both those cases in order to see that the freedom of the Montreal dockers unions is respected, under the statutes of Canada?

Mr. Speaker: The hon. member for Lake St. John.

Mr. Grégoire: Mr. Speaker, I think the minister was about to rise to answer my question, after hearing it through his earpiece.

[*Text*]

Mr. MacEachen: I do not propose an investigation into this particular case, but I did indicate to the hon. gentleman last week certain steps, or a variety of steps, which might be taken by these individuals in order to further determine their rights.

LABOUR CONDITIONS

QUEBEC—APPLICATIONS UNDER WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I too would like to direct a question to the Minister of Labour.

It is about the winter works now in course of preparation in this country.

[Mr. Caouette.]

If the minister is aware of the situation, can he confirm the fact that his department has issued to municipalities and the provinces forms containing typographical errors which had therefore to be sent back to the federal department, which will entail considerable delay in the start of winter works?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): My information is that the forms which are normally distributed to the municipalities had to be altered this season to take into account the changes which are being made in the program. They are presently being processed by the queen's printer and ought to be available this week. I have no information that forms were circulated and then withdrawn because of errors.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Speaker, may I ask a supplementary question?

I believe the Quebec government have had to set aside requests from the municipalities precisely because the forms contained printing errors that had to be corrected.

Is it true that forms containing printing errors were sent to the provinces?

[*Text*]

Mr. MacEachen: I presume the forms in question are those which were in use last year, but I will make inquiries to see whether there is any further information I can give.

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, may I ask a supplementary question?

In view of the fact that the Department of Labour is responsible for preparing these forms could the minister assure the municipalities that they can nevertheless go ahead with their projects when the winter works season starts?

[*Text*]

Mr. MacEachen: At the proper time these forms will be made available for approval, before the date upon which the winter works program commences.

TRADE

EFFECT OF OIL IMPORTS ON BALANCE OF TRADE

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. To

what extent have increased imports of crude oil and petroleum products in the past few months contributed to our adverse balance of trade and international payments?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, imports of oil into Canada are usual and normal, and on a large scale, as the hon. gentleman knows. I do not think any increase in imports has occurred which has had any significant effect upon the matters contained in the hon. member's question.

Mr. Harkness: Mr. Speaker, I wonder whether the minister would look into this question and see what the extent of this increase has been in recent months.

Mr. Sharp: I can assure the hon. gentleman that I have been doing that very thing.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I put a supplementary question to the Minister of Trade and Commerce?

I would like to ask the minister whether he has received requests for assistance from the government of the province of Quebec to sell off all the pulpwood that the Liberal party bought in Dorchester county in its bid to win the election?

[*Text*]

ALUMINUM PRODUCTS—REPRESENTATIONS RESPECTING PROPOSED TARIFF CHANGES

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I should like to direct a question to the Minister of Trade and Commerce. Has the government made representations to the government of the United States regarding proposed changes in tariff duties on certain classes of aluminum products imported into Canada?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yes, Mr. Speaker.

TRANSPORTATION

PETERBOROUGH-TORONTO—PROPOSED WITHDRAWAL OF DAYLINER SERVICE

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I want to ask the Acting Minister of Transport a question on a topic which was initiated by the hon. members for Hastings-Frontenac and York-Scarborough last Friday. I should like to ask first if he has heard from the board of transport commissioners whether they are prepared to hold a public hearing on the abandonment of passenger service between Peterborough and Toronto. Second, can the minister tell us whether any of the subsidies that the C.P.R. is receiving at the present time as a result of the MacPherson report, or that it is planned it will receive under the new legislation, are in lieu of keeping passenger services operating?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, as to the first question, the answer is no. As to the second question, I will have to take it as notice.

Mr. Fisher: A supplementary question, Mr. Speaker. By saying "no" does the minister mean that the board of transport commissioners has decided not to hold a public hearing?

Mr. McIlraith: No. The question was whether I had heard from the board of transport commissioners advising me that they were holding a public hearing, and I answered "No" to that question. With regard to the question now put by the hon. member, I will undertake to find out whether they are holding a public hearing and give the answer in the house.

NOVA SCOTIA—REPORTED INTENTION TO REDUCE SERVICE BETWEEN HALIFAX AND YARMOUTH

On the orders of the day:

Mr. Gerald A. Regan (Halifax): I should like to direct a question to the Minister of Transport. In view of the importance to the citizens of western Nova Scotia of the present Dominion Atlantic Railway dayliner service between Halifax and Yarmouth, will the minister investigate reports that the railway plans to cut the present service in half; and does he know whether a public hearing will be held?

Hon. G. J. McIlraith (Acting Minister of Transport): I should like to take the question as notice.

HOUSING

REQUEST FOR REPORT ON MEETING WITH ONTARIO MINISTERS

On the orders of the day:

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I have a question for the Postmaster General in his capacity as the federal minister responsible for housing and urban renewal. Within the past two weeks the minister announced that he would be

meeting with the Ontario minister of economics and development and the Ontario minister of municipal affairs some time this week. I would ask the minister whether he has in fact met with them. If so, can he give the results of the meeting to the house; because I believe that in part they are important to the city of Hamilton.

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I am pleased to advise not only the hon. member but hon. members from other Ontario ridings that along with the president of Central Mortgage and Housing Corporation I met with the two provincial ministers for several hours earlier today. In my opinion and in theirs it was a very successful meeting. We discussed possible urban renewal programs in various parts of the province of Ontario, also public housing in the province of Ontario, how to avoid duplication of effort and duplication of expenditures and other matters. It was, as I have said, a good meeting.

I should also like to advise the house that we have agreed to have a meeting or conference in Toronto on November 23 and 24 to which representatives of the cities and other municipalities and members of this house will be invited to attend. It is part of an educational program. That meeting will be followed by one in northern Ontario either early in the new year or possibly later this year.

Mr. Macaluso: A supplementary question, Mr. Speaker. Did the minister discuss with the provincial ministers anything concerning the city of Hamilton, particularly the redevelopment program in the riding of Hamilton West?

Some hon. Members: Order.

Mr. Macaluso: Mr. Speaker, this is an urgent question, as the Hamilton city council has approved this area as a redevelopment area and they are waiting for a reply in order to proceed.

Mr. Speaker: As I have allowed the first question perhaps the minister could finish with this matter quickly.

Mr. Nicholson: Mr. Speaker, I can inform the hon. member that following this morning's conference questions were put by a newspaperman to one of the provincial ministers, and if the hon. member will listen to the news broadcast tonight I think he will get a full answer to his question.

[Mr. Macaluso.]

VANCOUVER—POSSIBLE EVICTIONS FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I have a question for the Postmaster General as the minister responsible for Central Mortgage and Housing Corporation. With regard to the Fraserview subdivision, is the minister aware that a widow with a pension of only $84.50 has received her eviction papers, and that a man with five children who is awaiting a delayed workmen's compensation cheque has been served with notice of eviction? If not, will the minister consider ordering a delay in such drastic action to give him time to look into such cases?

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I have already advised the house, and I think the hon. member was present at the time, that notices have gone out to the 60-odd people who had not yet agreed to the new rental arrangements, that this was a legal formality that had to be gone through with, but that each individual case would be considered on its merits. While I am on my feet I might say that of the 1,164 housing units originally included in the Fraserview project, all but 52 of them have been satisfactorily disposed of.

Mr. Chatterton: A supplementary question, Mr. Speaker. According to yesterday's Vancouver *Province* a Mr. Henry R. Bates, a member of the Vancouver South Liberal association, stated that the Minister of Northern Affairs and National Resources agreed with him a year ago that the across the board price would be $7,130. In view of this would the minister give further consideration to having a public hearing on this question?

Mr. Nicholson: Mr. Speaker, I would rather let the Minister of Northern Affairs and National Resources speak for himself. I can say that each of these individual cases will be considered on its merits, but when over 1,100 of 1,164 housing unit cases have, according to my information, been disposed of, that is to the satisfaction of the tenants and the owners concerned, I see no reason for a public hearing.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. May I ask the minister if he will assure the house that none of these persons who have not signed new leases will be evicted without first having their cases examined by the minister himself.

Mr. Nicholson: If any one of the tenants wishes to take the matter up with me personally, I will be very glad to do so, either on an individual basis or through the hon. member who has just spoken or any other member. I certainly will be glad to look into them personally.

Mr. Douglas: The minister has said that each individual case will be decided on its merits. May I ask the minister by whom? If it is not going to be done by the minister, will this be done by some official of C.M.H.C.?

Mr. Nicholson: Mr. Speaker, as I am sure the hon. member knows, we have responsible Central Mortgage and Housing Corporation officials in Vancouver.

The people concerned have been invited to take the matter up with Central Mortgage and Housing Corporation. The fact that a great many of them, I would say several score, within the last week or ten days, have been able to work out satisfactory arrangements with the corporation would indicate that the tenants have been able to reach agreement with the officials of the corporation. If there are any who wish to go beyond that, I will be glad to deal with them on an individual basis, if necessary.

Mr. Douglas: Will the officials of C.M.H.C. look into the financial circumstances of these persons before evictions are granted?

Mr. Nicholson: As I have intimated even though notices were sent out, these people are encouraged to come and put their cases before officials of central mortgage and housing. If they do not see fit to do so, I do not believe central mortgage should be asked to look them up individually. It should be the duty of the tenant. The Lord helps those who help themselves.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENTS TO BOARD OF DIRECTORS

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, in the absence of the Minister of Transport I should like to put to his parliamentary secretary a question which is based on a dispatch published in the newspapers recently to the effect that nine of the 12 C.N.R. directors have completed their three-year term.

Could the parliamentary secretary tell the house whether those directors will be reappointed or whether the minister is considering the appointment of French Canadians as directors?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the government's decision will be announced in due time.

[*Text*]

CANADIAN CONSTITUTION

REQUEST FOR REPORT ON MEETINGS WITH ATTORNEYS GENERAL

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. I would not want him to think that we are ignoring him today. In view of reports that the conference of the Minister of Justice with the attorneys general of the provinces has concluded, is the government in a position to make any statement as to the results of that conference on the amending of the constitution?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, I believe the conference has concluded its plenary meetings. However, the Minister of Justice is carrying on this afternoon with several private meetings, with the attorneys general. In any event I think we should wait until he returns tomorrow.

WORLD FAIR

RESOLUTION EXPRESSING CONFIDENCE IN DEPUTY COMMISSIONER GENERAL

On the orders of the day:

Hon. Mitchell Sharp (Minister of Trade and Commerce): On September 17, Mr. Speaker, I gave a preliminary answer to a question asked by the hon. member for Berthier-Maskinongé-Delanaudière regarding the government's intention in relation to Mr. Robert Shaw, deputy commissioner general of the Canadian corporation for the 1967 world exhibition. On that occasion I said I had asked the board of directors of the corporation for their views. On September 29 I received from the commissioner general the text of a resolution approved unanimously by the board the previous day. This resolution reads as follows:

> In reply to the Minister of Trade and Commerce's invitation the board of directors wants to express its full confidence in Mr. R. F. Shaw, deputy commissioner general of the 1967 world exhibition.

Immediately on receipt of this resolution I conveyed it to my cabinet colleagues and to the Quebec government. With the concurrence of the Quebec government, the Canadian government has decided it is in the

interests of Expo '67 that Mr. Shaw should remain as deputy commissioner general. This decision was made after a careful examination of the judgment and evidence in a recent case involving the Foundation Company of Canada.

As I have already said, Mr. Shaw has done an outstanding job as deputy commissioner general, and it is the government's view that his continuation at his post is very much in the interests of the success of the exhibition.

Hon. Marcel Lambert (Edmonton West): Can the minister advise the house if this resolution by the board of directors of Expo '67 was obtained under a threat of resignation by the commissioner general, Mr. Dupuy, as is reported apparently authoritatively in *Le Devoir*?

Mr. Sharp: I cannot say anything about the accuracy of the report which appeared in *Le Devoir* and which I have seen. I was not present at the meeting. I simply asked the commissioner general to ask the board of directors their views. He reported to me in terms as I have reported to the house, and he informed me that this resolution was approved unanimously.

Mr. Lambert: I have a further supplementary question, Mr. Speaker. In anticipation of the minister's estimates, will he kindly inform himself on the question I have raised so we may not get the same kind of general answer on that occasion?

Mr. Sharp: I would welcome any discussion of this matter during my estimates. I think it is most important to the success of the exhibition that not only the government but everyone concerned should have full confidence in Mr. Shaw.

AGRICULTURE

TURKEYS—REIMPOSITION OF QUOTAS ON IMPORTS FROM U.S.

On the orders of the day:

Mr. C. O. Cooper (Rosetown-Biggar): I should like to direct a question to the Minister of Agriculture. Yesterday he made the following statement, as reported at page 8730 of *Hansard*:

> In so far as poultry are concerned, I have met the people who seem to be in the worst trouble, the turkey producers.

I presume the minister was referring to his meeting with the turkey producers in Winnipeg. Did the minister, at that meeting in Winnipeg, give the turkey producers any hope for the reimposition of quotas on United States turkeys coming into Canada?

Hon. Harry W. Hays (Minister of Agriculture): We discussed this at the meeting, Mr. Speaker. I am still waiting to hear from the executive of the turkey federation. They were going to send me a list of the things to which they thought we should be giving consideration. As yet I have not heard from them.

Mr. Cooper: May I ask a supplementary question. Will the minister give the house that report when he gets it from the turkey producers?

Mr. Hays: Yes, I will be pleased to do so.

BEEF CATTLE—CORRECTION OF STATEMENT RESPECTING IMPORTS FROM U.S.

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I should like to make a correction in *Hansard*, page 8730. In reply to a question by the hon. member for Grey-Bruce I am reported to have said:

> The situation is that for most of the summer and a great deal of the spring beef cattle in the United States were much higher than they were in Canada.

I should have said:

> —beef cattle in Canada were much higher than they were in the United States.

Mr. Eric A. Winkler (Grey-Bruce): May I ask the minister, then, was the express purpose of the importation of beef into Canada to lower the price of Canadian beef on our market?

Mr. Hays: I do not think, Mr. Speaker, that it had this effect on the Canadian market. Generally Canada exports to the United States in the neighbourhood of 500,000 head of cattle a year. This year, as the result of much lower prices in the United States, a certain number of cattle moved into Canada. Our position was such, because of the buoyant market, that we were able to consume the 500,000 head, and consumption rose by 9 per cent.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Jean Chrétien (St. Maurice-Laflèche): Mr. Speaker, may I direct a question to the Minister of Finance?

Since the Créditiste candidate, Bernard Dumont, lost his deposit yesterday in Dorches-

ter county, will the members of the Ralliement Créditiste who supplied that amount be entitled to a receipt for charitable donations so that they might deduct it from their income tax?

[*Text*]

Mr. Speaker: Order.

Mr. Simpson: Mr. Speaker, I wish to direct a question to the—

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

[*Text*]

Mr. Speaker: Order, please. I do not believe we should take the last question too seriously.

Mr. Grégoire: I rise on a point of order, Mr. Speaker.

Mr. Speaker: Is the hon. member for Lapointe serious in his point of order?

Mr. Grégoire: That is beside the question.

CANADIAN BROADCASTING CORPORATION

STUDY OF EXTENSION OF TELEVISION SERVICE

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Secretary of State, but in his absence I shall direct it to his parliamentary secretary. Can he inform the house whether the government has requested the C.B.C. to prepare an up to date study of the areas which are not now serviced by C.B.C. television? If not, will the government consider asking for such an up to date study?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): I shall bring this question to the attention of the Secretary of State.

HOUSE OF COMMONS

CERTAIN GROUPS NOT INCLUDED IN PAY INCREASES

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the President of the Privy Council, supplementary to one I asked him on September 24. Is he yet in a position to say when pay increases will be announced for members of the protective staff, messengers and tradesmen of the House of Commons?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, the pay increases for those groups in the House of Commons staff will come after the cyclical pay revisions of group D of the regular civil service. I expect that will be some time in late winter or early spring.

Hon. J. W. Monteith (Perth): As a supplementary question, may I ask the President of the Privy Council has the category of the security staff of the House of Commons been changed to come after group D?

Mr. Speaker: Order, please. These questions should be addressed to the Chair, in writing.

LABOUR RELATIONS

HAL BANKS—REPORTED STATEMENT BY MARITIME UNION TRUSTEE

On the orders of the day:

Mr. Raymond Langlois (Mégantic): I should like to direct a question to the Minister of Labour or the Acting Prime Minister. According to a news item in the Toronto *Telegram*, Charles Millard, one of the trustees of the S.I.U., stated that we should forget Hal Banks; we found him, let us forget him. Is he trying to cover up something for the government or for the S.I.U. itself?

Mr. Speaker: Order. Under the instructions given me an hon. member should not inquire as to whether a statement made in a newspaper is correct. It seems to me that this question falls directly within that limitation imposed on the Chair.

Mr. Langlois: I think 95 per cent of the questions in this house arise from statements read in some newspapers.

Mr. Speaker: Order, please.

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to ask the Minister of Labour whether he has been in touch recently with the board of maritime trustees about the desire of the members of this house for that group to appear before the industrial relations committee. If so, will they appear some time before the end of the year?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I can give an unqualified assurance to the last part of the question, that they will appear before the

committee this session, which I may say I hope will not extend beyond this year. I have not been in touch with the chairman of the board of trustees since the matter was raised last week, but officials of my department have discussed it, and I hope to be talking with the chairman soon.

Mr. Orlikow: When the minister does speak to the chairman would he draw his attention to a number of questions I put on the order paper some five weeks ago, which go to the heart of how seriously the trustees are following the instructions given them in the legislation? I may add that my questions have not yet been answered.

Mr. MacEachen: Mr. Speaker, I would be glad to do that.

Hon. Michael Starr (Ontario): When the minister refers to "they" does he mean all three members of the board of trustees will appear before the committee?

Mr. MacEachen: Mr. Speaker, as I recollect the exchange of correspondence and discussions with Mr. Justice Dryer, it centred upon the appearance of the chairman. I have not raised the matter of the other members of the board appearing, so this is the situation at the present time. The assurance was that the chairman himself would appear, and I do not know what arrangements he might make for his colleagues.

Mr. Starr: Would the minister convey to the trustees that, in my personal opinion, it would be preferable that all three should appear?

Mr. MacEachen: Mr. Speaker, I would be glad to direct the attention of the board to the views expressed by the hon. member for Ontario.

Mr. H. W. Herridge (Kootenay West): In view of the fact that this board is a creation of parliament, does the minister not think parliament should decide who should come before the committee, and not the trustees?

Mr. MacEachen: Mr. Speaker, I am sure that when the appropriate committee meets it will itself wish to decide who should appear; and if the committee issued a call for the other members of the board I am certain they would respect the wishes of the committee.

[Mr. MacEachen.]

ADMINISTRATION OF JUSTICE

HAL BANKS—CONSIDERATION OF FURTHER CRIMINAL CHARGES

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

Considering that any member of a corporation, banker, agent of a trust company, director, member or official of a company who defrauds the said company is liable to be extradited; considering that at page 115 and following pages of the French version of the Norris report Hal Banks is accused of having defrauded the S.I.U., does the Minister of Labour intend to avail himself of that section of the act respecting the extradition of a person and of the charges laid in the Norris report in order to take proceedings against Hal Banks concerning those cases and have him extradited from the United States into Canada so he can serve the five year jail sentence which was imposed upon him?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, all I can say on this point is that all the facts have been considered by two very eminent counsel, Mr. Robinette and Mr. Martineau. They have concluded, and recommended accordingly, that a charge be laid for the particular matter for which Mr. Banks was convicted. I understand, and this of course is subject to the word of the Minister of Justice, that there was no further recommendation with respect to any other charges, after they had considered all the available evidence.

[*Translation*]

Mr. Grégoire: Another supplementary question. Should we conclude that it is not the intention of the government to lay against Hal Banks other charges that could bring about his extradition to Canada?

[*Text*]

Mr. MacEachen: As a non-lawyer, Mr. Speaker, I would think you have to have evidence before you lay charges, and presumably these two eminent counsel could not find evidence.

[*Translation*]

Mr. Grégoire: Another supplementary question, Mr. Speaker. I should like to ask the minister, in view of the importance of the matter—if he has read the Norris report—whether he has not seen the charges laid by

Mr. Justice Norris that would bring about Hal Banks' extradition?

[*Text*]

Mr. Speaker: Order, please. This questioning has continued at some length, and it seems to me that the Minister of Justice is the proper official to whom these questions should be directed.

Mr. MacEachen: On a point of order, I think I ought to correct the impression left that in the commission report of Justice Norris there was evidence upon which charges were to be laid. Mr. Justice Norris himself recommended that counsel be appointed and that counsel so appointed were to gather evidence upon which future charges might be laid.

POWER

ONTARIO—APPLICATION RESPECTING PROPOSED NUCLEAR PLANT

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of Industry, following up my query of last week in respect of a nuclear power plant and its location in Ontario, and whether an application had been approved by the atomic energy commission, at which time the minister said no application had yet been received. In view of reliable information I now have that the Ontario hydro commission submitted an application dated September 3, will the minister say whether the application has been approved, or when it is expected to be approved by the atomic energy commission?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the statement I made last week, to the effect that no application had been received, was correct. Since then an application from Ontario hydro has been received by the atomic energy control board and is now under consideration.

Mr. Starr: In view of what the minister has said, that his reply of last week was correct and that no application had been received, and in view of the fact that I have information from a reliable source that the application was forwarded on September 3, a month ago, will the minister reconsider his answer?

Mr. Drury: Mr. Speaker, I will check my source, and the hon. gentleman might check his.

Mr. Starr: I checked mine.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

REQUEST FOR ANSWERS TO QUESTIONS ON ORDER PAPER

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question of privilege involving the Secretary of State, but in his absence I will direct it to his parliamentary secretary. It has to do with the business of the house. Can the parliamentary secretary give us any reason why order paper questions 1,453, 1,550, 1,606, 1,623 and 1,642, which have been on the order paper since July, have not been answered? I would refer also to questions 1,705, 1,727, 1,729, 1,766 and 1,810, which have been on the order paper since August, also starred questions 1,874, 1,889, 1,902, 1,925 and 1,982.

Some hon. Members: Order.

Mr. Winkler: Mr. Speaker, if the hon. member for Kootenay East has a speech to make I wish he would rise.

Mr. Byrne: You are out of order.

Mr. Horner (Acadia): He does all his talking from his seat.

Mr. Speaker: Order, please. I understand this is a matter of privilege, and I should like to hear the end of it.

Mr. Winkler: It was meant to be. These questions have been on the order paper for some time, and I would ask the parliamentary secretary when we may expect the answers.

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. gentleman has raised a very detailed question. I do not think I would want to take up the time of the house dealing with each of these questions in particular.

CONSIDERATION OF AMENDMENTS TO UNEMPLOYMENT INSURANCE ACT

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question I would like to address to the Minister of Labour while he still has his crystal ball, foretelling the rest of the session, in front of him. Is it his intention during the current session to bring proposals before parliament to amend the Unemployment Insurance Act?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, this matter was dealt with by the Prime Minister in the very early days

of the session, and I have nothing to add to what he said on that occasion.

CONSIDERATION OF MOTION RESPECTING THANKSGIVING DAY SITTING

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, my question has to do with a motion that is on the order paper, and I direct it to the Acting Prime Minister. I am wondering whether we might proceed with the motion in the name of the Minister of Justice that this house do not sit during the visit of Her Majesty the Queen on Monday. I think all hon. members of the house, being loyal, would be most anxious to give support to this motion, and I am wondering whether the government intends to proceed with it.

Hon. Paul Martin (Acting Prime Minister): I am sure the house would wish me to take this opportunity of saying, in the absence of the Prime Minister, how pleased and honoured we all are in this house and in this country that Her Majesty the Queen is in Canada at this time.

Some hon. Members: Hear, hear.

Mr. Martin (Essex East): It is the wish of the government that we should not sit on Monday. If we have not proceeded with this motion yesterday or today it is because of consultations which are taking place with various sections of the house so as to facilitate the business of the house. I am sure we shall not be sitting on Monday, and I think in view of the discussions which took place among party leaders this morning, or which may take place later in the day, I might ask the right hon. gentleman to let his question stand until that time. I am sure it is the wish of this house that we should not sit on Monday, and steps to that end will be taken.

Mr. Diefenbaker: It certainly is.

Hon. Gordon Churchill (Winnipeg South Centre): What does the Acting Prime Minister mean by "consultation with various sections of the house"? The entire Conservative party is in favour of the motion which is on the order paper and is not blocking it in any way at all.

Mr. Martin (Essex East): I would hope that in a matter of this sort the hon. gentleman would not seek to establish an issue. He knows perfectly well to what I was referring. I was not referring to any particular party.

[Mr. MacEachen.]

Because we want to obtain the end result I have mentioned, the hon. gentleman, who is usually co-operative would, I am sure, not wish to be unco-operative in this respect.

Mr. Diefenbaker: I would suggest to the hon. gentleman that he be co-operative, too, and not refer to Her Majesty's loyal opposition as a section of the house.

Mr. Martin (Essex East): I wish to be co-operative with all sections of the house. I could refer to the right hon. gentleman's group as a segment.

POST OFFICE DEPARTMENT

PURCHASE OF LAND FOR CONSTRUCTION OF SMALL POST OFFICES

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, a few days ago the Postmaster General announced the construction of various post office buildings throughout the country under the winter works program. He also added that the Minister of Public Works would soon buy the land to this end.

May I ask the Minister of Public Works how the officials of his department usually proceed in purchasing such land?

[*Text*]

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

Mr. Langlois: The answer could be short, and I should like the minister, if possible, to take my question as notice.

Mr. Speaker: Order, please. Orders of the day.

FARM MACHINERY

PROVISION OF CREDIT FOR PURCHASES BY SYNDICATES

The house resumed, from Monday, October 5, consideration in committee of Bill No. C-121, to provide for the extension of credit to farm machinery syndicates—Mr. Hays—Mr. Lamoureux in the chair.

The Chairman: When the committee rose last evening clause 3 of the bill, with an amendment thereto by the hon. member for Acadia, was under consideration. Is the committee ready for the question on the amendment?

On clause 3—*Loans to farm machinery syndicates.*

Mr. Horner (Acadia): I will not delay the desired vote on this amendment for more than a few minutes. The whole of clause 3 and the amendment thereto deals with the question of the security to be set against the amount of the loan offered. The Minister of Agriculture has clouded the issue by repeated references to the fact that a person signing a promissory note for the total amount would not necessarily need to have sufficient security to cover the total amount for which he signed. But before I moved my amendment last evening I asked the minister whether a person whose total net worth was $5,000 would be able to sign a promissory note for the total amount borrowed by a syndicate of which he was a member, an amount of perhaps $45,000. I asked the minister whether the corporation would take a promissory note in those circumstances and place a value on it.

As reported on page 8757 of *Hansard* the minister replied "I do not suppose we would lend money to an individual in that position". I then asked what would happen in a case of a person who had total assets for security purposes of $15,000 and who wished to join a syndicate with three other members. Would his promissory note for $45,000, the total amount the syndicate wished to borrow, be accepted? To this question the minister replied "I think I must reply in the same fashion". In other words he did not think the corporation would lend money to an individual with a net worth of $15,000 who wished to join a syndicate borrowing $45,000.

It is a well known fact that the Farm Credit Corporation considers the question of security against loans to be of the utmost importance. Yesterday it was stated that a farmer could borrow $55,000 from the Farm Credit Corporation and another $15,000 from the banks under the Farm Improvement Loans Act. I hesitated to make any suggestion that this might not be the case; I wanted it to come from the minister or his officials. But under part III of the legislation governing the Farm Credit Corporation the corporation can only lend a farmer $55,000 provided he meets all the requirements. One of the conditions is that the farmer must clean up his notes at the bank; he must have no other outside debts. In other words if a farmer who has borrowed $10,000 from the bank under the terms of the Farm Improvement Loans Act applies for a loan under part III of the farm credit legislation, whether for the full amount or for less, he must immediately set aside sufficient money to meet his obligation at the bank.

I am pointing this out in order to convince the committee that no one is being fooled on this question of security. Despite all that has been said, we are all aware that when money is lent, even if the Minister of Agriculture is acting as the banker, as he has suggested, through the Farm Credit Corporation, adequate security will be insisted on, security which has not been pledged to cover another debt. I say once again that under the clause we now have before us, in the provision stating that a farmer must sign a promissory note for the total amount borrowed by a syndicate, such a promissory note must have the full amount of security backing.

I have put forward an amendment which may cause some difficulty, but it would have the effect of making the promissory note apply only to the amount of the loan applicable to each member of the syndicate, which seems to me much more sensible. A person with assets of $15,000 could then join a syndicate which wished to borrow $45,000; his share would be $15,000, and thus he could join in borrowing the total amount. As it is now, whether a syndicate is formed of three, six or seven members, each member has to sign for the total amount borrowed. This amendment if accepted would give the clause a much wider application and make it possible to cover many more small farmers who are perhaps in need of greater borrowing power.

I have nothing more to say, Mr. Chairman. The Minister of Agriculture has considered this amendment; his officials looked at it all last evening. I have made my plea for a wider application of this bill so it will be applicable to the small farmers who have not the capital assets that the minister stated many farmers have. In his remarks last evening the minister said that in his part of the country they use $50,000, $60,000, $75,000 or $100,000 worth of credit at the banks. I hope we are not passing legislation to aid farmers who can already borrow $100,000 at the bank. I hope we are trying to pass legislation that will help farmers who can perhaps borrow $4,000, $5,000 or $6,000 at the bank, and who need a little more credit to assist them in their operations.

If the Liberal party and the minister cannot visualize now how clause 3 will be dis-

criminatory against the small farmers, I have very little hope for them in the future, or for the small farmer as long as the minister stays in power. Yesterday the minister said he had 12 lawyers working for him. He could not help throwing in the odd little boast as to what a great man he was. He said, of course, that none of them were any good. When one considers this bill it looks as though the minister knew more than all the drafters, because it is certainly a hodgepodge.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Amendment (Mr. Horner, Acadia) negatived: Yeas, 42; nays, 64.

The Chairman: I declare the amendment lost. Shall clause 3 carry?

Clause 3 agreed to.

Clause 4 agreed to.

On clause 5—*Term of loan on repayment.*

Mr. Douglas: Mr. Chairman, I want to just register my strong objection to one feature of clause 5. This is the clause which says that the interest rate will be prescribed by the corporation. I think this is most unsatisfactory. I believe the minister indicated the other day that the interest rate would probably not be more than 6 per cent; I think that was the figure he gave. However, there is no guarantee in passing this legislation as to what the interest rate will actually be, not only at the moment but what it will be over the years, if it is left to the corporation. The minister keeps saying that this legislation is primarily to help small farmers. Certainly if it is to help small farmers I am enthusiastically in favour of such a measure. But if it is to help small farmers, surely we ought to be keeping the cost to the barest minimum, because it is the small farmers who need help.

A survey which has just been completed by the Ontario federation of labour produced some interesting statistics. They pointed out that 71 per cent of all the farmers produced and sold farm products with a gross value of less than $5,000, and that 46 per cent produced and sold less than $2,500 worth of farm produce in 1961, the last year for which complete figures are available. This means that in 1961 more than two fifths of the farmers of Canada had a gross income of less than $2,500. I leave it to anyone to figure out what their net income was; I suspect it was something less than $1,500.

It is these small farmers who need help. It is these small farmers who cannot buy the expensive machinery which would enable them to farm economically. It is these small farmers whom I hope the minister is going to encourage and assist in the forming of syndicates so they can buy machinery which will provide a lower per unit cost of operation.

It is perfectly apparent that farmers whose gross income is less than $2,500 a year and whose net income is probably less than $1,500 a year are going to need all the help they can get. When a farmer comes under the Farm Credit Corporation legislation the interest rate is stated in the act, as I remember, at 5 per cent. When the farmer borrows money under the Farm Improvement Loans Act the interest rate is stated in the act; again, as I recollect it, at 5 per cent. But here is legislation which the minister claims is directed primarily at assisting the small farmer. How is it going to assist the small farmer? He is going to pay interest, the minister says, of not less than 6 per cent.

Just look at the financial burden which will be placed on a farmer who goes into one of these syndicates. I am thinking of a small farmer. First of all he has to find his share of 20 per cent of the cost of the machinery. He must also sign a note, not only for his share but for the entire amount of money that is borrowed. He must also, at the time the loan is made, pay a 1 per cent service charge. In addition to this, the minister indicated yesterday that he will probably be expected to have fire insurance, liability insurance and life insurance to protect the syndicate in the event that any one of its members dies.

Mr. Baldwin: And a service charge of 1 per cent.

Mr. Douglas: I mentioned the service charge of 1 per cent at the time the machinery is purchased. If anyone wishes to add this up, I suggest this is not legislation designed to help small farmers. These farmers will be carrying a very heavy burden. The minister spoke yesterday about farmers buying machinery and paying 10 per cent and 12 per cent interest in this connection. I would think the government ought to have taken action long ago on that type of exploitation. The farmer here is going to pay very heavy costs, and I think the least the government can do is to give the farmer who is borrowing money from the Farm Credit Corporation under this bill terms at least as generous as those accorded to the farmer who borrows money

under the Farm Credit Act or under the Farm Improvement Loans Act.

If the minister is desirous of helping small farmers it certainly is not apparent in this bill, particularly having regard to the wording of clause 5. I think by comparison to the minister Scrooge looks like a generous person. I say that because the burden which will be saddled on the small farmer who goes into one of these syndicates is going to be extremely heavy.

I would urge the minister to introduce an amendment to clause 5, as was done by the previous government in other farm lending legislation, to fix the interest rate in this clause, and that it will be 5 per cent. I think the government can borrow money at less than that rate, and if they cannot and this requires a subsidy, then the government is even more justified in subsidizing small farmers than it is in subsidizing farmers who borrow money under the Farm Credit Act or under the Farm Improvement Loans Act. I hope the minister will see fit to either prescribe in the bill that the interest rate will not be more than 5 per cent or that he will give us some better explanation for leaving this item wide open than anything he has given us so far.

Mr. Hays: Mr. Chairman, in reply to this question let me say I agree with the hon. member that we must look on these things with as much favour as we can so far as the farmer is concerned. I know that the Quebec farm credit bureau see fit to pay in the province of Quebec a subsidy of 2½ per cent interest on corporation loans. When my hon. friend was premier of Saskatchewan he never offered this reduction in interest rate to the farmers, a matter to which I think every provincial government should give some thought.

So far as the machinery is concerned, these loans are short term loans, for not more than seven years, and we feel that the interest rate should be at 6 per cent or something less. The hon. member also raised the question about a 1 per cent service charge on the loan. That is normal and is done all the time. So far as national housing is concerned, 2 per cent is paid which is to take care of insurance, and this is added on the mortgage and paid out during the length of the contract. I think this will tend to decrease the cost.

Let me go back to what I said yesterday, that there is something like $240 million being lent to farmers at interest rates from 10 per cent to 20 per cent on the purchase of machinery.

Mr. Horner (Acadia): Would the minister quote the source for that figure?

Mr. Hays: The $240 million? This was information which I was able to have the Farm Credit Corporation gather for me when this bill was in preparation a long time ago.

Mr. Horner (Acadia): In other words there is no official source for that figure; it is one which the minister's officials have figured out?

Mr. Hays: Yes, and I have a great deal of confidence in the Farm Credit Corporation. I do not think they would tend to fool me. There is another figure which the federation of agriculture came up with, I believe, a figure of something like $400 million, but I used the conservative figure of $240 million. I am sure there is not a farmer in the country who would object to paying 6 per cent if he could purchase the machinery he needs, particularly when it is realized that over the period of the contract he is only paying one third of this 6 per cent, as he now has an opportunity to share this machine with three people or more. If he had to buy his own piece of equipment to do the work he would bear the full amount, but he will now have an opportunity of using a large machine on which he will actually be paying only 2 per cent, or one third of 6 per cent, if the capital cost of the contract works out as we anticipate it will.

Mr. Douglas: Mr. Chairman, that is a strange kind of arithmetic on the minister's part. The minister says a farmer will pay only one third of the 6 per cent interest; but he would only have a one third ownership in the machine, so he will pay the full 6 per cent on the part of the debt for which he is liable.

Mr. Hays: I do not think the hon. member was listening to me. What I said was this. Supposing the farmer had to buy the whole machine and pay, say, $10,000. He would pay 6 per cent interest on that machine. He now has an opportunity, if he need only use the machine for a small part of the time, to get exactly the same amount of work out of the machine by paying possibly one third of the capital cost. He would also only pay his share of the interest rate, which I know would be 6 per cent on his particular share; but his operating cost would be decreased by two thirds.

Mr. Douglas: Well, we would all agree that the operating cost is less because the farmer is going into joint ownership of the machine. But he would only have the right to a one third ownership of the machine and to a one third use of the machine. Consequently he would not pay the same amount he would pay if he owned the machine completely and had the use of it all the time. That is the purpose of this legislation.

Surely the minister can give us a better reply than saying that the provinces could subsidize this interest rate. We are passing federal legislation. We have been repeatedly told by the provinces, and with a good deal of justification, that they have been called upon over the years to assume more responsibility than their financial revenues will permit, and all the tax rental arrangements have been designed to siphon off more revenue to the provinces and more taxes to the provinces in order that they may discharge their responsibilities. It is the federal government which has the money, and I do not think they should say that if the interest rate is too high the provinces can put up the money. The provinces in which this legislation will be most needed—I think particularly of the Atlantic provinces—are the provinces which can least afford to subsidize the minister's program. The minister wants to be Santa Claus and hand out presents providing somebody else pays part of the cost. Anyone can be Santa Claus on that basis, but this will not fool anyone. The farmers are holding the minister responsible, and the minister will be held responsible if the farmers have to pay 6 per cent when they borrow money to purchase machinery for these syndicates.

What the minister has not explained is why in this legislation the rate is 6 per cent and in other legislation it is 5 per cent. The farm improvement loans money is also short term; why is the interest 5 per cent in that case? If that money can be borrowed at 5 per cent there is no reason why this money cannot be borrowed at 5 per cent. And usually the amount borrowed will be a larger amount. If the minister is going to make the rate 6 per cent, then let him at least put it in the bill at "not more than 6 per cent", although I think it should be not more than 5 per cent, the same as in the other lending legislation. If the minister thinks that is too low let him put in the words "not more than 6 per cent"; then it would at least be stipulated in the bill. The farmers as well as the members of this house have no way of knowing now whether this rate will creep up to 7 per cent or 8 per cent. There would be some protection for the farmers if the maximum rate of interest to be charged were stipulated in the statute. I know the minister keeps saying: Let us put the legislation into effect and try it out for a while, and then I will refer the legislation to the agriculture committee next year and it can be overhauled then. That does not solve the problem for the farmers who come under this legislation in the course of the next 12 months. If during the next 12 months farmers come under the legislation, enter into agreements with an interest rate of 6 per cent plus a 1 per cent service charge, make themselves jointly and severally responsible for the entire amount of the loan and as a result find themselves in a financial hotbox, amending of the legislation at the next session will not benefit them. It will benefit farmers who come under the legislation subsequently but it will not benefit farmers who come under the legislation between the time it is passed now and the time it is amended at the next session of parliament.

I predict that unless the minister re-examines some of the things he has put in the legislation there will be a great many farmers who in desperation will come under the legislation in order to get machinery, and will find subsequently that they have assumed a heavier burden of financial responsibility than they are able to discharge. I just do not see how a farmer with a gross income of less than $2,500 a year—the survey by the Ontario federation of labour shows that 46 per cent of the farmers of Canada are in that category—can afford to pay 6 per cent interest, a 1 per cent service charge, sign a promissory note to cover the entire borrowing of the syndicate and in addition carry fire insurance, public liability insurance and life insurance as a member of the syndicate. It seems to me this is a financial burden that small farmers will not be able to carry and some of them will find themselves in financial difficulties. I urge the minister to reconsider his decision and to put the maximum interest rate in the legislation, 5 per cent if possible or 6 per cent if he feels he cannot accept the 5 per cent figure.

Mr. Lambert: Mr. Chairman, taking up the train of thought advanced by the hon. member for Burnaby-Coquitlam I would say that the provision contained in subclause 2 of clause 5 is quite a reversal of the philosophy of farm credit legislation now on the statute books. This is going back to the rough, tough

days of the farm loan board. We all know why a new act was introduced and the Farm Credit Corporation was established. The purpose was to infuse into the whole farm credit field an entirely new philosophy, and I think it has been quite successful because the officials of the corporation are interpreting the act that way.

I would prefer to see this legislation simply say 5 per cent because it is quite as easy for the government to finance the operations of the Farm Credit Corporation with respect to this legislation as it is with respect to its general credit operations. I do not see why it should be more expensive to borrow under this legislation than under the Farm Credit Act.

Second, under the wording of subclause 2 the rate of interest is not fixed at all from year to year. The subclause reads in part as follows:

—at such rate prescribed by the corporation as in its opinion is sufficient to return to it an amount equal to the cost to the corporation of any money advanced to it for the purpose of making that loan—

That is a flexible amount.

—and the expenses of the corporation in administering that loan—

That is also a flexible amount.

—including a reasonable reserve against losses.

That is the third barrier. Therefore the corporation in its wisdom may start out with an interest rate of 5½ or 6 per cent but two years later they may say they have to have an additional 1 per cent, so two years from now the rate will have gone up.

Mr. Lloyd: Or down.

Mr. Lambert: Or down. That is conceivable, but the hon. member for Halifax (Mr. Lloyd) will readily understand that these rates do not usually go down. They usually go up because costs and reserves for losses are involved. But there is a third objection. The changing of the rate is not subject to restriction by regulation. The words used are "at such rate prescribed by the corporation". Clause 9 deals with regulations and provides that the corporation may, with the approval of the governor in council, make regulations prescribing the terms and conditions that a syndicate agreement must contain and defining the expressions "farm machinery" and "co-operative farm association". I would say that under a reasonable interpretation of clause 5, subclause 2, as it now stands the approval of the governor in council would not be required for a change in the interest rate. By that I do not intend to impute improper motives to the corporation, but unless the minister can prove me wrong I want to point out that a reading of clause 5 and clause 9 together leads me to say that while all other regulations made initially under the act or later amendments are subject to the approval of the governor in council, it is not indicated that the interest rate is included.

I offer these alternatives to the minister. First of all, I should like to see a specific rate of interest prescribed in the bill. If it is found later that with the rate so fixed the Farm Credit Corporation cannot conduct operations successfully, then the corporation will have to come back to parliament for approval of any change. I think that is what should be done here if this legislation is going to be good legislation. It should be on a par with the Farm Credit Act. Therefore I should like to see the rate prescribed so that it will be clear.

Second, if that is not acceptable I should like to see it clearly stated that the rate prescribed by the corporation is subject to the approval of the governor in council. That should be stated clearly in clause 5. There is what I consider to be a latent ambiguity in the language and I think my doubt is sufficiently well founded in the imprecise language in clause 5. If what I have suggested were done there would be a further check.

My first recommendation to the minister, in line with what the hon. member for Burnaby-Coquitlam has said, is that the interest rate should be spelled out right here in the clause. If you are going to make it 5 per cent, say so. If it is going to be 6 per cent, say so. Second, let us have it clearly set out that any change in the rate of interest shall be subject to the approval of the governor in council. In that way there would be a much closer retention of supervision by parliament over the operations under this legislation.

In saying this I am not imputing improper motives or actions to the Farm Credit Corporation. As a matter of fact, I think we would remove from their backs the burden of approving an interest rate, a burden which I think should rest here in this house.

Mr. Hays: Mr. Chairman, the hon. member has referred to approval by the governor in council and he questions the wording of the clause. The intent of the wording is that the interest rate is subject to the approval of the governor in council.

Mr. Lambert: It does not say so.

Mr. Hays: It is contained in clause 5, subclause 2, which reads as follows:

> Subject to the approval of the governor in council, every loan made under this act shall bear interest at such rate prescribed by the corporation as in its opinion is sufficient to return to it an amount equal to the cost to the corporation of any money advanced to it for the purpose of making that loan and the expenses of the corporation in administering that loan, including a reasonable reserve against losses.

The justice department feels that this is the proper wording to do exactly what the hon. member suggested should be done. In so far as interest rates are concerned, the government believes this should be at an economic rate. This wording is much the same as that with respect to the increased loans under the Farm Credit Corporation above $20,000 and above $27,500. We feel that if our farmers are to be subsidized that should be done under the stabilization act or one of the three different ways in which we support these commodities. In so far as this legislation is concerned we feel the interest rate should be at the economic rate.

I know farmers pretty well. I have talked to a lot of them. They want to stand on their own feet. They want markets. They want to be able to finance property. My government feels that the interest rate should be the economic rate. We believe this rate will be 6 per cent or less. Since I know politicians I cannot see any of them raising the interest rate.

Mr. Whelan: I hesitate to enter this debate because I come from a clan of logsplitters and not hairsplitters. After listening to this debate, I just wonder what the farmers of this nation are thinking. I am a farmer, and I know that over 50 per cent of the money that is borrowed in this nation is borrowed at high interest rates, much higher than we will be setting under this bill, from modern day Shylocks and from bonus merchants. This bill will overcome these practices to a great extent. When my own family started farming, and we were a large family, we had nothing like this bill on which to rely. We had to borrow money from whoever would lend it. We did pool our assets to buy our equipment for farming.

As I said earlier, this measure is of tremendous advantage to the average young farmer in this nation. So far as I am concerned, this interest rate is all right. I, as a farmer, approve of it. I do not believe we should go around this nation yelling for lower interest rates just because we are farmers. The farmers of this nation, as I have said before and I will say again, are the most efficient producers in the world. The people of this nation are enjoying the cheapest food, when food prices are related to their earning power, of any nation in the world. I feel we should be able, as the minister has said to make these crops return sufficient to the farmer so that he does not have to go around like a second class citizen asking for special privileges in the way of interest rates. I feel we are actually professional people, industrialists or whatever you want to call us.

Yesterday I heard the hon. member for Acadia pleading the case of the small farmer. In the area from which I come we are small farmers and we do not farm several thousand acres. I know what the small farmers want. I know how important this legislation can be to them. In our area there are many small farmers such as onion producers and vegetable producers, who are being put out of business because they cannot compete with the money people who are taking over this part of the business. The small farmer is being eliminated, and this is an important way of life to many of these people. I visited the countries of Europe last year and I saw that the incentive was taken away from people when these farms were incorporated. The individual farmer's incentive to produce no longer existed. We must preserve the right of the individual farmer to be an independent farmer.

We know that farmers can work together through their co-operatives. We know they can work together to purchase machinery and equipment or whatever is necessary in their everyday life. As a result of the buoyant economy in my area during the last two years, a lot of young men are leaving the farms. This is one of the most productive areas in Canada or in North America. These young people are leaving the farms because they cannot compete with the money people in obtaining credit. As I said earlier, if we had had a bill such as this available to us when we were trying to start a farm we would have been able to enjoy a better way of life. We would have been able to compete with farmers who had unlimited capital to play around with. While we were sharecropping and doing everything possible to make ends meet, others had credit facilities available to them. I say that we in agriculture today, no matter where we may be in Canada, should be able to pay the going rate of interest and should be able to accept our place in society as first rate citizens.

So far as I am concerned, there has been too much talk in connection with this bill, too much delay. It annoys me, as a farmer, and as a farmer who had to help himself. Last year I introduced a bill to protect farmers against bankruptcy. The same people who say they are worried about what is going to happen to the farmer under this particular bill are the ones who held up my bill. They did not want to protect the farmers.

Mr. Horner (Acadia): What has this to do with clause 5?

Mr. Whelan: It has a definite relationship because my bill was designed to protect the farmer who had overcapitalized in machinery, in case the company with which he was dealing went broke. In most cases the farmers go broke too, because they have overcapitalized in this machinery by trying to buy it themselves. There is no bill like this right now to protect the farmers.

Mr. Horner (Acadia): Why didn't the government bring it in, then?

Mr. Whelan: This bill, so far as I am concerned, bars a close relationship to what I was trying to do last year. Many of our farmers are operating on returns that do not give them a fair way of life. The bill I was introducing last year attempted to give them protection under the old system of borrowing money from Shylocks to buy equipment. If they lost their crops, they were not able to pay anything. The same people who are complaining about the bill before us today are the ones who talked against my bill and did not want to give the farmers protection. So far as I am concerned this measure is long overdue.

Mr. Olson: I do not want to hold up clause 5, but I do subcribe to some of the arguments made by the hon. member for Essex South as well as to some other things the Minister of Agriculture had to say with regard to farmers wanting to stand on their own feet. I wonder if the minister would consider with me the arguments respecting this matter of interest rate from a slightly different angle? Clause 5 refers to the corporation setting the appropriate rate that will take into consideraion the expenses involved in the corporation administering the loan, including reasonable reserves against losses. In addition to that, another clause we are about to consider refers to an additional service charge of 1 per cent per annum on the loan. Now, we have not any indication as to how high this is all going to add up, or what the final figure will be. We feel it is going to be somewhere around 7 per cent. Perhaps this is substantially lower than some of the interest rates now being charged by lending institutions for loans on farm machinery; but under the Farm Improvement Loans Act, which has been operating since 1945, and under which hundreds of millions of dollars have been lent to farmers, the losses to date have been approximately only one tenth of 1 per cent.

Under the provisions of this bill, where security is guaranteed jointly and severally by all members of a syndicate, there is a higher interest rate to be charged. This greater security must lower the risk factor, but on the other hand the interest rate will be substantially higher than the 5 per cent charged under the Farm Improvement Loans Act. For that reason it does not seem reasonable that there should be a higher rate of interest.

Another point is that we have staff within the Farm Credit Corporation to administer this bill, and it seems unreasonable that another charge should be made on the proposed loans for administration. It may be that the corporation will need staff—I do not deny that—but the same principle applies to all government operations whether in farm legislation, in unemployment insurance or in transport. Staff is already being paid by the public treasury and no charge is made for the administration.

As I have said on a number of occasions, though I am concerned with some of the bill's provisions I am prepared to let it pass on a trial basis, and a year from now we can refer it to a committee, find out what weaknesses it has and try to deal with them. Time and again the minister has said the major purpose of this bill is to assist small farmers to buy large, expensive pieces of machinery that they require, under terms by which they would own it and use it cooperatively, thus reducing the cost of the machinery.

I believe a simple amendment to the Farm Improvement Loans Act would allow farmers to borrow up to $15,000, both independently and jointly, for the purpose of buying farm machinery. The limit of loans under that act was raised to $15,000 a month ago, so that any farmer who had used up to his previous maximum of $7,500 now has another $7,500 available to him if he qualifies under the provisions of the act. Amending that act would have been a simpler and more effective way of meeting the needs of small farmers, because $15,000 is a substantial amount,

particularly when one is speaking in terms of a very small farm.

To some extent I support the argument advanced by the hon. member for Burnaby-Coquitlam and the hon. member for Edmonton West that a specific rate of interest should be prescribed by this bill. An interest rate of 5 per cent has been set for loans under other farm legislation, and since the loans to be made under this bill will be better secured than individual loans under the Farm Improvement Loans Act, I see no justification for a service charge of 1 per cent over and above the cost of money to the Farm Credit Corporation. Nevertheless, I do not take any hard objection to this because I think the increased maximums provided under the Farm Improvement Loans Act, which were passed by parliament last month, will meet farmers' needs for the next few months. I think these maximum amounts will be used, because loans under that act will be approximately 2 per cent cheaper than credit provided by this bill.

Mr. Hays: There is some misunderstanding here, Mr. Chairman. This 1 per cent service charge will only be charged once for the length of the contract.

Mr. Douglas: At the time of borrowing?

Mr. Hays: At the time of the borrowing. It is not a yearly charge. At present we are raising money at something like 4.78 per cent. We estimate the cost of operating loans for this bill will be something under .75 per cent, and so far as the reserve for bad debts is concerned it will be on the same basis as the Farm Improvement Loans Act. It is not meant to make money, and if the reserve were high it would be used to lower the cost. When you add all this up it is quite a bit under 6 per cent at the moment, and certainly this is a great deal better than farmers have been accustomed to, so far as borrowing for the purchase of large equipment is concerned.

Mr. Lloyd: Mr. Chairman, I think clause 5 meets all the criteria we expect in handling financial affairs of government in Ottawa. We are most anxious to keep subsidies and the like to any particular sector of the economy, to social services and to provinces, in a proper reporting medium. It seems to me, where we attempt to make funds available at an economic rate for the purchase of equipment of this kind, that the legislation as it is drafted accepts the principle that if there should be need in the farming community for a subsidy which can be identified, it can be provided, as the minister has said, in other ways and by measures which are readily identifiable, which can be compared to the need and can be compared with the other subsidies of government. The more you bury these bits and pieces of subsidies, the more difficult it is to fix responsibility.

I am pleased that this bill does not propose to fix a rate of interest. It fixes the responsibility on the governor in council, and in approving the rate of interest the government takes responsibility. It is responsible to parliament for its actions, and if the rates should become excessive, parliament has opportunities readily available for criticizing a government that adopted such a policy. Certainly clause 5 makes it quite clear that the interest rate must take into account such things as an amount equal to the cost to the corporation of any money advanced to it, also the expenses of the corporation in administering loans, and a reasonable reserve against losses.

I think I should mention clause 6. It provides that there will be a service charge of an amount equal to 1 per cent of the amount of the loan. Then clause 8 establishes the account. All the machinery here will be taken into account when fixing the interest rates. If after a period of time the experience of losses has shown them to be very low, then certainly the governor in council would have regard to this experience when fixing the interest rate, and the rate imposed could be lessened.

It seems to me we should subscribe to the principle that as far as possible economic interest rates should obtain in all these fields. If there are to be subsidies of any kind they should be made in another form and be clearly identifiable so that subsidies to all parts of the country and in all circumstances may be properly compared and assessed.

Mr. Gundlock: In my opinion it is about time we faced the real issue in this talk, or debate, or battle as it has been described. Many of us will recall that when the Farm Credit Corporation was set up the same kind of battle went on. Maybe it was not as obvious, but the battle took place just the same for a most specific purpose. In my opinion and for the information of this committee, it was over the question of the interest rate, and the rate at that time was set at 5 per cent.

I think we should realize that there is more to this talk and to this battle than is apparent on the surface. I think there is something which is in the back of most of our minds and I believe we should be talking about it. I know that we on this side are thinking about

it. I refer to the fact that there is probably too much consideration given to farm organizations and interest rates, and to low interest rates. I think of the small businesses here in Canada which need something very like this. I think if there were some assurance—and we on this side are willing to give this assurance—that this same kind of battle would be put up for them, and for the same reasons, much of our trouble might disappear.

Speaking of small business—and I do not mean to depart from the principle we are considering—it is very much needed. I think if Canadian small businesses had some assurance that this kind of battle would be put up for them, some of the criticism of this bill would be lessened. That is about all I wish to say. I want to emphasize by way of repetition that this sort of thing is being done for the same reason as it was previously; maybe not in the same way, but for the same reason. We need a definite rate of interest and we need lower interest rates. We need them for other segments of the Canadian economy besides agriculture.

Mr. Herridge: May I say briefly that I support this legislation in principle. It has proven successful in Great Britain and Scotland, operated by hard headed farmers in the United Kingdom, supported by the national farm union and the co-operative societies which are related to the agriculture industry there.

This is an experiment. We are applying to Canadian conditions provisions which have been successful in England and Scotland. I fully appreciate the criticisms which have been advanced from the benches to my right and I support some of them. I refer to the fact that co-operative organizations are not allowed to borrow; that some of the regulatory features have not been included in the bill, and that there should be a fixed interest rate. As I say, I appreciate these criticisms. But I wish to read two or three paragraphs to indicate what has been done in this field in the United Kingdom. I am all in favour of giving this scheme a trial for a year and finding out where the kinks are, and straightening them out as a result of experience.

I intend to read from an article entitled "Farm Machinery Syndicates" written by Mr. N. L. Goodland. This is what it has to say:

> A machinery-buying syndicate, having been accepted as 'creditworthy', may consist of two farmers or more. On approach to Syndicate Credits Ltd.—

That is the organization which supplies the capital.

> —80 per cent of the cost of the article may be loaned, the remaining 20 per cent to be paid by the syndicate on delivery. The loan so made is paid off in half yearly instalments, with interest payable only on what is outstanding. Loans for movable equipment may be paid off over four years and this may be extended to five years in the case of grain-drying, storage and cleaning plants.
>
> Further costs are made up as follows: Syndicates Credits Ltd. are charged 1 per cent on money borrowed and also an initial levy of two pounds sterling per syndicate member, which goes back to the agricultural central co-operative association to cover the cost of administration.
>
> Syndicates Credits Ltd. are also charged for loans one half per cent above bank rate. The syndicates themselves are charged a further 1 per cent to cover the country's administrative costs.

This is similar to the provision included in the bill before us.

> Thus the rate of interest charged to each syndicate is 1½ per cent above bank rate, between the limits of 5 per cent and 7 per cent, calculated on outstanding balances only.

I do not intend to read any more from this article, now. The adjustment comes in the profit to the members of the syndicate at the end of the year—the savings. I suggest it would be ideal to have a fixed rate of interest, but I presume that if as the result of one year's operation of the act it was found unnecessary to charge the interest rate which had been fixed—if a reserve was developing—the rate could be lowered. I simply say therefore that I do not think we should continue a lengthy debate on this bill. We support it in principle though we criticize some of the details. We look upon it as an experiment in Canada based on successful experience in other countries. Let us pass this measure, give it a trial, and find out what happens at the end of the year.

Mr. Danforth: I support the men who have spoken on this bill to advocate that there should be a fixed rate of interest embodied in the terms of the measure.

I listened with a great deal of interest to the contribution made by the hon. member for Essex South. He certainly pleaded the case of the farmers in our area. There is one difference though. The farmers in my riding, being businessmen, would prefer to obtain loans at 5 per cent than at 6 per cent or 7 per cent, as the hon. member's farmers are apparently prepared to pay.

I have one question I should like to ask the minister at this point. I understand that the rates of interest would be prescribed at the time a loan is taken out under this measure, and that this would be the interest rate which the farmers concerned would have to pay. Is it not true, then, that the rate

could vary each year for several different years? There could be five different syndicates borrowing in successive years at different rates of interest. Is this what will happen? Or will provision be made that in the case of the cost of money borrowed by a syndicate going down, the amount of interest required from all the syndicates would be adjusted every year accordingly. Of course if a rate of interest of 5 per cent or 6 per cent were to be prescribed now and incorporated in the bill, anyone borrowing money under the terms of this legislation would know exactly where he stood.

Mr. Hays: In reply to the question asked by the hon. member, any syndicates which borrow will pay the same rate of interest throughout the length of the contract. They will know exactly what they are getting into. It is quite likely that the interest rate will fluctuate, exactly as is the case when money is borrowed under the national housing provisions. Some people are fortunate enough to buy their houses at an interest rate of a little over 6 per cent; some are paying over 7 per cent. This depends on the cost of money. But this will be an economic rate.

I have given some indication as to what it will be under this bill. If the bill were to pass tonight, obtain royal assent and next week we were ready to go to bat, it would be something under 6 per cent. This would include all the charges under the particular contract that a syndicate might enter into a week from now.

Mr. Horner (Acadia): Mr. Chairman, I would like to say just a few words on this clause. I do not want to be too repetitious, but I certainly agree with the remarks of the hon. member for Burnaby-Coquitlam and the hon. member for Edmonton West. We are told, and have been told previously, that this is experimental legislation. The minister now says that if the bill were implemented today, next week, or even a week after that I suppose, the interest rate would be not more than 6 per cent. He has also told us that this legislation will come back in a year's time; it is on trial; it is experimental; we are going to study and review it; it is going to be before the agriculture committee next year. If this is so, why cannot he show his faith in the interest rate and in the government, and if the interest rate will not be more than 6 per cent why does he not say that in the bill? It would be simple to do this; this legislation is on trial; it is experimental; the minister will not have to stick with it for years and years and years. Then why does he not let us know what we are passing and what we are agreeing to?

I am not asking for a subsidized rate, as was suggested by the hon. member for Essex South. That hon. member seemed to feel that some farmers wanted a subsidized rate. I am asking for an established rate; a rate which farmers will know they will have to pay whether they borrow money today, during the next six months, or the day after the next six months. Farmers should know what the interest rate will be whenever they decide to join a syndicate under this bill. The hon. member for Essex South thought this legislation would be very worth while; he thought it would do something he could not do with his bankruptcy bill, although he claimed that his bankruptcy bill was a tremendously good and important bill. I ask, Mr. Chairman, why does not the government accept the hon. member's bankruptcy bill, if he and the government think it is so good? He has not even convinced his own party that it is good, so how can he hope to convince the country and this House of Commons? The minister has stated time and again that this is legislation for the small farmer; yet he is afraid to give the small farmer the assurance in writing in this clause that the interest rate will not be more than 6 per cent. We are not asking him to peg it at 5 per cent; but he can put in writing that it shall not be more than 6 per cent.

I proposed to move two amendments to this clause. However, I shall not move them because I realize now that the minister is stubborn, thick-skinned, bull-headed and has lost sight of the conditions facing many small farmers across Canada.

Mr. Greene: You are pig-headed.

Mr. Horner (Acadia): I cannot for the life of me understand why in the first part of clause 5 it is necessary to include the words, "not exceeding seven years". This clause reads:

> Every loan made under this act shall be (a) for such term, not exceeding seven years, as is fixed by the corporation after considering the kind of farm machinery to be purchased with the loan and the expected economic life of that machinery—

In other words, Mr. Chairman, the life of the loan shall be determined by the corporation. The words "seven years" are not needed in this clause. The minister said last night that he wants to make this bill as flexible as possible, to quote his exact words. How is including a seven year limit making it flexible? When one looks at the schedules set out by the Department of National Revenue

it is seen that every machine—if you file your income tax return in one manner; I think it is under form 17, although I am not sure—without a motor on it depreciates at the rate of 10 per cent. In this bill this limitation is set out. It is said that the intention is to make the bill as flexible as possible, but this clause includes the limitation, "not exceeding seven years". There is absolutely no need for those four words in this legislation.

I am not going to propose an amendment in this connection because I realize it will only mean delay; the minister will call in his members and they will vote it out. The hon. member for Medicine Hat and his group will vote the amendment out. The hon. member said he would support it, "to some extent". That means he is only going to mouth his support and when the vote comes he will vote with the government in any case. His whole group will do that, because they are in bed with the Liberals on every piece of legislation, on every clause and in every committee.

Mr. Byrne: Order. Make your speech.

Mr. Horner (Acadia): I am not going to refer to items of legislation for which they have voted at any particular time. They talk about low interest rates, yet they have supported and voted for high interest rates on many occasions in this house. The hon. member for Medicine Hat said he wanted to support the hon. member for Burnaby-Coquitlam, and then he added the rider, "to some extent".

There should be immediately removed from this particular clause the words, "not exceeding seven years". Why put that limit on farm machinery? I have tried for the last two weeks whenever this bill has come before us to get some idea as to what the minister envisaged as farm machinery under this legislation. He has said it will include grain combines, and nothing more. He has agreed with me that it will probably include a portable feed mixing mill, or this type of machinery might be included. But he has not said that a stationary feed mill would be included, a silo, or the hundreds of other pieces of farm machinery which the Department of National Revenue depreciate at 10 per cent. This means that the normal life of such machinery is ten years. Why does the minister have to give it seven years? He has the security of the farmer; under clause 3 he has the security of a promissory note; and he has the machine itself as security. Why does he need these words, "not exceeding seven years", in view of the fact that he says the bill is in an experimental stage? This parliament has often brought in legislation on an experimental basis, on a trial and error basis. We had the pension bill before us on four occasions. If we had passed it the very first time, perhaps we would all be on pension by now, or will be by the time it is finally passed.

The minister talks about an experimental stage. He is going to review this legislation after a year's operation; he is going to tell us all about it and it is going to be placed before the agricultural committee. Then why does he not say in the bill, "not more than 6 per cent"? Is the minister afraid of losing a great deal of money? He gives us all kinds of assurances that the interest rate will be less than 6 per cent. I suggest to him that next year it will probably be more than 6 per cent. That is why he wants us to be gullible enough to accept the fact that the interest rate will be 5½ per cent now. I suggest to him that by passing this particular clause we will be accepting an interest rate of nearly 7 per cent before the year is over. We do not know.

Some hon. members say I have spoken too much. I am sure there are members in this house who feel I have spoken too much. However, Mr. Chairman, I am not concerned with that aspect of any piece of legislation, if I believe that by speaking a little longer I can perhaps improve the legislation. The minister has rejected the amendment that I moved yesterday in order to help many farmers who are not in the financial position that the minister envisages them to be in. These farmers could have been helped if my amendment had been accepted. He voted that one down. I feel there is very little use in my talking on this clause any longer because the minister would not be prepared to accept any changes anyway. He says the bill is experimental, that it is new. He also says he is not changing it one iota. The hon. member for Medicine Hat agrees with him. There are many things he does not like about it but he will let the farmers get into trouble for a year or not get into trouble for a year, as they choose. Then in one year's time the minister will take another look at the legislation. This is legislation by trial and error. It is legislation by experiment and by a minister who has lost sight of conditions and the many problems facing small farmers. I said at the beginning of the debate on this bill that it looked like the millionaire's answer to farm

problems in Canada. If we proceed and pass the bill it will look to me like the millionaire's answer, and a bull-headed millionaire at that.

Clause agreed to.

Clauses 6 to 8 inclusive agreed to.

On clause 9—*Regulations.*

Mr. Baldwin: Mr. Chairman, I will be very brief. I have already made plain during the one or two interventions I have made in this debate that I was greatly concerned at the fact that in clause 9 this parliament is being asked to delegate to government the exclusive right to settle the main characteristics and essentials of this legislation, and not only to settle them initially but to alter them from time to time as the case may be. I am not going to repeat the arguments I made in this regard; I would simply say that as this debate has progressed it has become quite apparent that we who take this view are correct.

During the course of the resolution stage questions were asked of the minister and he said that when we had the bill before us we would have the answers. This was quite proper, because the bill at that time had not been exposed to view. Then on second reading stage of the bill he said that when we got into committee we would have the specific answers. But when we got into committee we found that although some of the answers were given, the main features of the bill which are of most consequence and importance were buried in the right of the governor in council to approve the regulations of the corporation.

I think this principle is undesirable. It is not a new principle. The minister and his officials are probably proceeding in the light of the experience of governments over a great many years. Step by step, stage by stage and act by act parliament is being asked to give to government the right to exercise the functions which parliament should exercise, and that is a practice to which I for one would take exception. I think it is quite wrong. It would have been easy for the minister and his officials to define what is meant by farm machinery. I think that if it stood by itself I for one would not ask for a specific definition of that phrase; I think there is an accepted understanding of what is meant by farm machinery. Even if "co-operative farm association" were left I think we could probably accept it. But when there is added to those two features of the bill the right of the corporation to prescribe the terms and conditions which a syndicate agreement must contain before it is approved by the corporation, I must draw the line.

In order to test the feeling of the committee concerning the extent to which we are being asked in almost indecent haste to give these powers to the government, I should like to move the following amendment to this clause:

That clause 9 be amended by adding after (c) the following:

"provided however that any regulation made under this section shall cease to have any force or effect unless approved and ratified by parliament within six months from the date such regulation comes into effect".

Before I sit down let me say I put the term "six months" in the amendment because the minister indicated that he hoped to bring the legislation back to this house. He admits that it is new and experimental and he suggests that he might bring it back in a year. I would be prepared, if the minister accepts the amendment, which would mean that any regulation which he makes must be brought back to this house for approval, to change "six months" to "one year", which would then meet the condition he has laid down.

Mr. Hays: Mr. Chairman, clause 9(a) says the corporation may make regulations prescribing the terms and conditions that a syndicate agreement must contain before it is approved by the corporation. This is the only difference so far as the Farm Credit Act is concerned. That clause was put in the bill so that there would be flexibility to enable the syndicates to fix their own agreements. These agreements may be different one from another. Their application may be different. For instance, farmers in Prince Edward Island would probably invest in a mixing machine and would be entirely different from the farmers who would invest in summer fallowing equipment which is used in western Canada, where one outfit would summer fallow 2,000 acres at the rate of 150 acres a day. This wording would allow the corporation to examine the agreements.

I did cover this matter the other day but I will go over it again. I think it would be better if I read the explanation because the other day I was hurrying along and probably some hon. members did not have the opportunity to examine the explanation in *Hansard.* We believe there are excellent reasons and excellent precedents for this approach. The most obvious reason is that this provides greater flexibility in dealing with

farmers' applications for loans under this bill. But a precedent can also be found in the Farm Credit Act, again a precedent approved by parliament and well proven in actual operation. We believe this is the only sound approach we can take to ensure that the program, a new and experimental one, can be revised and improved as experience dictates. Besides leaving the definition of "farm machinery" to the regulations, the Farm Credit Act in section 11 confers other rather extensive discretion on the Farm Credit Corporation. This discretion, which is not subject to approval by governor in council, includes the authority to prescribe the forms of mortgages and agreements which farmers make with the corporation. I believe this was one occasion when the previous government showed a lot of common sense.

I am convinced, and I am sure everyone familiar with the great variety of the farmers' credit needs would agree, that this kind of flexible approach is essential for success in any farm credit program. This is why we have proposed that the items to be covered in agreements under the farm machinery syndicates bill should also be left to the administrators, to the people dealing directly with the farmers.

Naturally we have given very careful consideration to the general terms which the regulations will require in the agreements. Farmers forming a syndicate will have to make provision for such items as the rights and liabilities of syndicate members, including the interest in it of each member; insurance of the property against fire, and of the syndicate against public liability; the addition of new members; the withdrawal, death, insolvency, retirement or incapacity of a member for any cause; the dissolution of a syndicate; the holding of syndicate business meetings; the election of syndicate officers; the procedures in the event of default by an individual syndicate member; maintenance and sale of machinery; keeping proper records and accounts.

These are some of the general terms. But I am sure hon. members would not want to dictate to farmers in advance every detail as to how each syndicate must organize to meet these general terms. In administering the program, of course, the Farm Credit Corporation will suggest various ways in which these general terms can be met. For example, suppose a member wants to withdraw from a syndicate because he has sold his farm, or does not need the machinery any longer for some other reason. A syndicate agreement could include a provision for any member to withdraw as long as he could make a mutually satisfactory arrangement with other members to take over his share of both the assets and the liabilities, or for another farmer acceptable to the other members to take his place. In other words, since he would have an equity in the net worth of the syndicate he would be able to dispose of it to the remaining members or probably to another farmer. The farmers themselves might like to make other arrangements.

By leaving the terms and conditions of agreements under this bill to be set by regulation by the administrators, we provide the farmers with the freedom to make any reasonable arrangements they and the corporation see fit to make.

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I should like to say a few words on the bill at this stage. I hesitated to speak earlier because I had hoped on a number of occasions that it would go through. However, after having listened to the hon. member for Acadia again this afternoon, who has spoken at least 10 times at length in this debate and a dozen times for shorter periods, I feel less reluctant about saying a few words.

There are two things I want to say about the bill. First, if it is used imaginatively I am convinced it will increase the efficiency and decrease the operating costs of farmers in my constituency. I will give two examples, Mr. Chairman. In southwestern Quebec in the last two or three years the farmers have been introducing feed corn crops. Feed corn requires drying machines which are much too expensive—

The Chairman: Order. I wonder whether the hon. member is now addressing his remarks to the clause now before the committee, clause 9 together with the amendment of the hon. member for Peace River?

Mr. Watson (Châteauguay-Huntingdon-Laprairie): Mr. Chairman, I was making a few introductory remarks. I will restrict myself to the clause. The making of regulations under this clause by the governor in council will certainly be less restrictive than if we were to set out the details of the structure of syndicates or types of machinery as members opposite have suggested on a number of occasions during the debate. In fact, throughout the debate there have been very few practical suggestions for improvement of the bill from members opposite, with the exception of one from the hon. member for

Peace River. I am not referring to the amendment now before us but to the suggestion he made with regard to the inclusion of Indian reserves by regulation within the purport of the bill. I wonder whether under clause 9 the minister could assure the house that Indian reserves will be included within the purport of this particular legislation.

The Chairman: Order. Perhaps the Chair does not understand the purport of clause 9 and it may be there is a subclause somewhere that relates to the possibility of including Indians under the terms of the bill, but it certainly is very difficult for the Chair to agree to this suggestion. I would again ask the hon. member to restrict his remarks to the clause before the committee. The hon. member for Acadia.

Mr. Horner (Acadia): Mr. Chairman, clause 9 purports to give authority to the Farm Credit Corporation to make regulations defining the expression "farm machinery". In my opinion it is pretty difficult to define farm machinery and I think that the amendment of the hon. member for Peace River is very worth while indeed. The minister has repeatedly told us that the legislation is experimental and that he wants to put it on trial for a year. In his amendment the hon. member for Peace River has suggested six months, but if it is agreeable to the government he is willing to change it to 12 months.

Before the vote is taken may I say I am somewhat disappointed that the minister has not given us a wider view with regard to this point. He has had the officials before him and he says they have studied the bill for nine months. I am surprised he is not able to give us a wider view as to what the bill will cover so far as farm machinery is concerned. At various times I have listed what I thought was farm machinery and what I thought the bill might include, but the minister has failed to comment on most of my suggestions.

We have accepted the principle of the bill, which is that farmers can join together in syndicates and by so doing economize in carrying on their farming operations. First of all you have farmers joining together to form a syndicate so that they can economize in carrying on their farming operations. This should be the main theme when considering what is or is not farm machinery. No attention whatsoever should be paid to the definition laid down by the Department of National Revenue that machinery must have moving parts. This should not enter into the thinking of the officials at all because any machine should be permissible as long as the farmers are carrying on farming operations and can economize and cut down their costs by forming a syndicate.

I have suggested silos or buildings but the minister has not commented on that suggestion. According to the dictionary a machine is a contrivance put together to do a piece of work. This is roughly what the dictionary says about the definition of a machine. I can see many possibilities for farmers to form marketing syndicates. In Prince Edward Island today there are literally hundreds of marketing syndicates or farmers' co-operatives through which the farmers market their produce. I see no real reason why farmers should not form such syndicates if they want to advance their produce one step farther toward the marketplace. It has often been said that farmers need more power in the marketplace. This legislation could be of tremendous help to groups of farmers who wanted to establish their own marketing set-up.

The agriculture committee is studying the feed grain problem. I suggested in the committee that many farmers could build elevators in their own localities and instead of moving their grain to the lakehead and down through the waterway when it is cheap and plentiful, they could store it in their elevators and distribute it among themselves during the winter months when they most need it. Would a huge farm storage bin purchased by a syndicate qualify as farm machinery?

We have never had an answer to this question of whether or not buildings qualify as farm machinery. I believe this bill could be of great benefit in many localities in eastern Canada in which farmers are feeding livestock. I know that in my own area many livestock are fed on grass. I can think of a number of instances in which much of the land is held under a grazing lease. A lease is a machine, a contrivance put together by human beings. I believe that that is a logical explanation of the definition of machinery. Certainly a group of farmers could form a syndicate and purchase a lease. They will be economizing tremendously in this way.

I recall that a lease was sold near my place not long ago to the Calgary stampede. I know the minister is aware of this particular transaction. They paid $84,000 for this grazing lease. If the ranchers in that area had been able to form a syndicate and each borrow $15,000, they would have readily purchased that grazing lease. It would have been of tremendous help to these small farmers. I see

some possibility for this legislation if the definition of farm machinery is broadened. It is for this reason I heartily concur in the amendment proposed by the hon. member for Peace River. Let us have a look at the definition of "farm machinery". I have suggested it should include silos, grain elevators, feed mills, grazing leases, and so on.

Why should the potato farmers of Prince Edward Island or any other part of Canada not be able to form a marketing syndicate for marketing their farm product? Why should they not have the benefits of this legislation? Why could they not erect a warehouse or a system for washing, cleaning and chipping their potatoes? Why should farmers not be able to do these things? Is this not the direction in which farming is moving today? Farming is becoming more mechanized and farmers are moving their produce closer to the markets. The fact is that the minister has failed to give the committee any broad statement concerning the regulations and the definition of farm machinery. The best he could do was to read a prepared statement that he made yesterday, and that is hardly good enough.

I know the minister is aware of this purchase by the Calgary stampede board to which I referred. I know this particular bill could be of direct benefit to many farmers in that area if they were able to borrow money and purchase a grazing lease. What is the difference between feeding cattle on grass or feeding cattle in a feed lot? In both cases we hope the cattle are getting fat and we hope there will be a market for them once they are ready for sale. The minister has said that a portable feed mill would come within the regulations. I asked him about a stationary feed mill for which one would pour a concrete floor. He could not comment on that because no one gave him a prepared statement. I ask him now about the feed grain situation in eastern Canada. Can farmers form a grain storage syndicate to store enough grain for their winter use in close proximity to their farms or feed lots? Can they build a grain storage elevator under this syndicate bill? Can they build stationary silos or set up a feed plant under this bill? Will the minister make an effort to see that a broad definition of farm machinery is established so that this bill could truly be, in the minister's words, as flexible as possible?

Mr. Herridge: I want to say, Mr. Chairman, that I support the purpose of the amendment. However, I feel that six months is too brief a period, and I say that for this reason. I am quite confident that as a result of a year's experience—we have said repeatedly that this is experimental legislation—amendments will be required. This is a new field in Canada. At the same time, a period of a year should give the minister and his officials an opportunity to experiment with the regulations. I would suggest to the mover of the amendment that if he would extend his amendment to a period of a year it would give us the opportunity to try out the measure. The officials would have some experience with the regulations and they could come before the house when I am quite sure the bill will be back for amendments. At the same time, the regulations could be approved by the house.

Mr. Olson: All I want to say about this amendment is that, as it is before us now, I do not believe it would give this measure an opportunity to be tried. In other words, the regulations would be invalid by the end of March and activity under the provisions of the bill would only be getting started by then. If the mover of this amendment is willing to extend the period considerably beyond six months, there would be some validity to the amendment. By the end of six months we would be at the peak of activity under this bill, and I believe a year would be a better period of time.

Mr. Baldwin: I have already indicated my willingness to consider changes. I thought the minister would be considering the phraseology in the interval so that he could accept my amendment. I do not know if I see any co-operative gleam in his eye. If not I am quite prepared to change the amendment. I realize of course I would need unanimous consent of the committee, unless an hon. member could be induced to move a sub-amendment. I am quite prepared, with unanimous consent, to change the six months period to 12 months. Having in mind the length of time it has taken to produce the legislation, then the fact a few months would be needed to frame the regulations, there would be a further period of six months after that and I envisage the amendment taking us up until next summer before the effect of it would be felt. However, I am prepared to seek unanimous consent to change the six months to 12 months.

The Chairman: Do I understand the hon. member is seeking the consent of the committee to change the amendment to read 12 months instead of six months?

Mr. Baldwin: Correct.

The Chairman: Does the hon. member have leave to make that amendment?

Some hon. Members: Agreed.

The Chairman: Is the committee ready for the question?

Mr. Ryan: Would the hon. member for Peace River permit a question? Has he taken into consideration the heterogeneous nature of laws for chattel mortgages, conditional sales and liens and sale of goods acts in the various provinces and territories, and that it might well be necessary to have different regulations in every province and territory?

Mr. Baldwin: Yes, Mr. Chairman. When I spoke yesterday I intimated that in my opinion the most desirable way to achieve the best working of this bill would be to establish two model agreements, one to apply to the civil code province of Quebec and the other to apply to the common law provinces outside Quebec; but these model agreements would have within them certain minimum essential requirements established by parliament, and they would be exhibited as schedules to the act when passed.

The legislation would provide that these agreements might be modified from time to time and place to place, having in mind the type of agriculture, the region where it is practised and the character of the individuals who comprise a syndicate. These model agreements would be subject to variation, but they would have certain minimum requirements within them.

Mr. Ryan: Does the hon. member not feel this amendment might unnecessarily bog down parliament in a lot of detail?

Mr. Baldwin: I would not think so.

Mr. McIntosh: Can the minister assure the committee that the definition laid down by the corporation for the term "farm machinery" will be accepted by the customs and excise branch of the Department of National Revenue? I do not want to go into this in too much detail, but the Minister of Finance will remember a debate we had in a previous session, covering the definition of a steel grain box for trucks.

Mr. Gordon: I will never forget it.

Mr. Nowlan: Neither will I.

Mr. McIntosh: I do not want to go through a similar experience. It is not settled yet, and to my knowledge the Minister of Finance and the Minister of National Revenue have not brought in legislation to amend the act.

[The Chairman.]

As hon. members will remember, it is the Department of Finance which determines what terms go into the tariff rates, but the interpretation of what goes in is left up to another department, which seems to be highly ridiculous. I am suspicious of why the definition of this term is left up to the Farm Credit Corporation. Could the minister assure the committee that whatever is laid down by the corporation will be accepted by the Department of National Revenue?

Mr. Hays: I cannot speak for the Minister of National Revenue but I would like to say something about the amendment. Asking for the regulations to be brought back to parliament is a most unusual request, and in the Farm Credit Corporation legislation the regulations did not have to come back. However, if this bill comes up for amendment in the future, then we could look at all of the problems which the hon. member envisages might occur, and correct them. As a government I think we have to take the same position as the previous government took so far as regulations are concerned, namely that they should not come back to parliament.

Mr. McIntosh: I am not satisfied with the minister's answer to my question. If the definition laid down by the Farm Credit Corporation has no meaning so far as other government departments are concerned, then it is a useless piece of legislation, and maybe the crown corporation itself can say something is not a piece of farm machinery and cannot be purchased under the bill. The hon. member for Acadia tried to point this out, and it has to be definite as to what the government will accept for the definition of farm machinery. The minister should give a little more explanation of what the corporation has in mind.

Mr. Baldwin: In reply to the minister, may I say this is a most unusual amendment but it is in answer to a most unusual clause.

Amendment (Mr. Baldwin) negatived: yeas, 33; nays, 67.

The Chairman: I declare the amendment lost. Shall clause 9 carry?

Mr. Horner (Acadia): Mr. Chairman—

Some hon. Members: Filibuster.

Mr. Horner (Acadia): Go on, see if you can sing "God Save the Queen" over there. You are making a lot of noise and you ought to get in tune.

The Chairman: Order please.

Mr. Horner (Acadia): I want to know whether a silo, or several silos will qualify under this bill? Will a grain elevator qualify? If the minister can answer these questions I do not intend to hold the bill any longer. In fact, I had no idea a week ago Monday that debate on the bill would last this long, but the minister got up and made a picayune attack on good, sound suggestions—

The Chairman: Order.

Mr. Horner (Acadia): —put forward by us—

The Chairman: Order please.

Mr. Horner (Acadia): —with regard to what should be in the bill—

The Chairman: Order. The hon. member is not addressing himself to the clause under consideration, and I would ask him to limit his remarks to that clause.

Mr. Horner (Acadia): I am dealing with clause 9 and the question of what should be included in farm machinery. I have no intention of passing this bill so readily that the minister can sit in his seat and say nothing about the serious suggestions I have put forward. Does he accept the definition laid down by the Department of National Revenue, that a farm machine must have a moving part on it? Do silos and grain elevators qualify, and what about the other machines I have mentioned?

Mr. Hays: I think the hon. member for Acadia surely knows that a silo is not a piece of machinery.

Mr. Horner (Acadia): It is, or is not?

Mr. Hays: It is not a piece of machinery: It is a building. The hon. member raised the other day the question whether a bull was a machine or not. He raised all kinds of questions of that sort. I think everyone in this house knows exactly what we mean by machinery.

Mr. McIntosh: I, for one, do not know what the minister means by farm machinery and I am sure even the officials of the department do not know what he means.

Some hon. Members: Oh, oh.

Mr. McIntosh: There is no "oh" at all. If hon. members opposite would investigate this a little further—if they had had any dealings with the department involving a definition of farm machinery—they would think otherwise. It is extremely difficult to get an explanation of it. I suggest the minister himself does not understand what the term includes, because otherwise he would have answered the question asked by the hon. member for Acadia. All we want is the definition which will be acceptable to the department and to the other departments of government concerned. I heard the hon. member for Acadia suggest that a machine has to have a moving part. That is the first I have heard about that. Ask the Department of Finance, or ask the Department of National Revenue for a definition. They say they do not have to give a definition and they will not accept any definition in a legal dictionary or in the dictionaries we normally use.

Surely members of this committee, when they go back to their constituencies, will wish to talk intelligently on this subject, and when they are asked to define the term "farm machinery" they should be able to say: "Well, the minister said this—". Perhaps we could be given, now, a definition of farm machinery on the part of the hon. gentleman.

Mr. Hays: May I refer the hon. member to page 8514 of *Hansard* where I had this to say in connection with the question he asks:

> If hon. members will refer to the Farm Credit Act they will note that parliament did not consider it necessary to define in detail in that act the items which might be considered to be farm machinery. Parliament in its wisdom recognized the necessity of providing a measure of flexibility in the definition by permitting it to be broadened from time to time by regulation, without the necessity of amendment to the act itself. I would like to assure hon. members, however, that it is the intention of the government, for the purposes of this act, to have farm machinery defined as broadly as possible so that it may include any item of machinery that a farmer can use in the development or operation of his farm unit. Farmers themselves know what they need and we want to be in the position to meet these needs.

Mr. Horner (Acadia): I am glad the minister answered my previous question as he did, because his reply illustrates the difficulty an hon. member finds when trying to understand legislation brought in by the government.

The minister has told us that a silo is not farm machinery. Would he tell the committee that the Farm Credit Corporation would not consider a silo as being a farm machine? Mr. Rutherford, who had so much to do with farm machinery—they would think otheradministration, was among the leading proponents of silage, bed silos and upright silos. He was really an avid promoter of silage and I know he would have included silos among farm machinery. Now the minister says they are excluded from the benefits of this

bill. This illustrates the difficulty one encounters when trying to define machinery.

I say the definition in this bill should be one which includes all those things which aid farmers to carry out their business. As long as a farmer uses it to aid in carrying out his business, it should qualify. If the minister would agree with that, this bill would go through very quickly and the house would no doubt be at a standstill while the government sought to find new legislation to bring on. Instead, the minister is confused. I know in my heart that the Farm Credit Corporation would accept a silo under clause 3 of the relevant legislation. As the minister has said, let us apply the measure as broadly as possible. Let us therefore make the definition of farm machinery as broad as possible. I ask this question: Does a silo qualify as part and parcel of a farmers' list of machinery when he applies for a loan under part III of the Farm Credit Act?

Mr. Hays: It does not, under the Farm Credit Act. It is listed, I think, as among permanent improvements and it is not considered to be a machine.

Mr. Horner (Acadia): It is not considered a machine. But security is still taken on it. However, I do not think it matters.

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): Don't worry about it. The hon. member for Cochrane seems concerned. He will have to sit in his seat until six o'clock in any case. I state that a silo will be taken as security by the Farm Credit Corporation along with a farmer's other machinery under part III of the loan act. If the minister does not want to call it machinery, as long as money is lent on it I do not really mind.

Why does the minister not want to lend money to a syndicate that wishes to build silos to feed cattle? Has he an answer to that?

Mr. Hays: I am sorry; I did not hear the hon. member.

Mr. Horner (Acadia): Why does the hon. gentleman not feel that silos should qualify for loans under the terms of the bill before us? I believe silos cost a lot of money. I do not intend to build one, but they are used extensively here in eastern Canada.

Mr. Hays: I think we did provide other legislation this year to take care of buildings of this nature when we raised the ceiling for unsupervised loans under the Farm Credit Act from $20,000 to $40,000 and when we increased the ceiling on supervised loans from $27,500 to $55,000. In that legislation provision is made for farmers who wish to put up silos, barns, and so on. The bill we are now considering is designed to enable farmers to purchase machinery by forming syndicates and the security is the promissory notes plus the machines.

Mr. Horner (Acadia): The Farm Credit Corporation, as the minister knows, lends money basically for the purchase of land, a capital asset, not for the construction of buildings and so on which are liable to depreciation. I am sure all members of the committee will recognize there is a difference between the two things. The Minister of National Revenue would certainly do so. The value of a capital asset does not depreciate in the same way as the value of a silo, which ultimately has to be renewed or replaced. But the only way the Farm Credit Corporation makes money available with regard to silos is that if a person buys a farm with a silo on it, that silo will be accepted as security. But what is the minister trying to promote under clause 9?

Mr. Hays: Mr. Chairman, I might also explain to the hon. member that the Farm Improvement Loans Act, under which loans have just recently been increased from $7,500 to $15,000, is also legislation that can be used in order to build this sort of improvement.

Mr. Horner (Acadia): I am not denying that; but I am saying that here we have a bill which will be of some help to some people. One industry I believe it would help is the cattle feeding industry. I am not in the cattle feeding industry, but I follow it and know something about it. I know that silage puts on the cheapest gains that are made in steers. I think this bill should allow a group of farmers to form a syndicate and feed out a herd of cattle. All I am asking is, why not help this industry, too? Why be so narrow? Are we trying to help Massey-Harris, are we trying to help John Deere and all the known machine companies just because they do not make silos? Is it for this reason that silos do not qualify? As long as the implement—

Some hon. Members: Louder.

Mr. Horner (Acadia): Well, that does not matter. I know that members opposite are not interested in this bill; they have proven it to me for the last two weeks. But they still seem to be interested enough to heckle one who is trying to do a serious bit of work with regard to defining clause 9. I repeat, I cannot under-

stand why the minister does not include this type of equipment in this legislation. Perhaps the minister could give me some idea of his attitude in this regard. He says that under the provisions of this bill farmers can form a syndicate and will be able to purchase equipment that is needed to improve their operations. He says that through syndicating they will be able to economize. I agree that some farmers might be able to economize through syndicating, but I say that more farmers will be able to economize through syndicating if this bill is made as flexible as possible. The minister should include any farm machine or any machine used on a farm that allows a farmer to work his land more efficiently, to increase his production, to feed his cattle, or anything of that sort. This type of equipment should qualify under clause 9. But the minister says silos do not. I am just using silos as an example. I am sure the minister would agree that eastern farmers should have more grain elevators in this part of the country. That is obvious to anyone coming from western Canada, because you see so many in western Canada and so few in eastern Canada.

I am sure that if a silo would not qualify under this bill, neither would a grain storage elevator in eastern Canada. I ask the minister why he will not include in the provisions of this bill any machinery that will cut the costs of farmers who join together in a syndicate.

Mr. McIntosh: Mr. Chairman—

Mr. Horner (Acadia): Wait; the minister is going to answer.

Mr. McIntosh: I am afraid he is not going to answer.

Mr. Horner (Acadia): The Minister of Industry is going to answer.

Mr. McIntosh: I would like to ask the Minister of Agriculture—

Mr. Horner (Acadia): I wish the hon. member for Essex East was minister of agriculture.

Mr. McIntosh: Mr. Chairman, the minister referred to the Farm Improvement Loans Act, the Farm Credit Act, and so on, and said that silos could be built under these acts. Is the minister saying that a syndicate can borrow money under the acts he has quoted? Can a syndicate obtain a loan under the Farm Improvement Loans Act? Why does not the minister answer the hon. member's question? All he wants to know is what will be the situation when a syndicate has been formed. Why does not the minister tell the hon. member what the situation will be? Why does he introduce these other acts, if they do not apply to a syndicate? The hon. member wants to know whether a syndicate will be able to build a silo under the provisions of this bill, in order to feed a herd of cattle. Can a syndicate borrow money for that purpose, under this bill?

Mr. Drury: Mr. Chairman, I have been listening with great interest to this debate. I am not a farmer and I do not know much about farming; but I look at this matter perhaps from a different point of view. I think the government has been making a serious, determined effort to try and meet the needs of the farmers. Their needs are essentially for financial assistance to enable them to bring their farm operations up to a state of efficiency which will allow them to reduce costs and remain competitive. This is not a problem unique to farmers; it extends to other areas of the economy.

However, one must bear in mind, in providing assistance, what the law is; and about this I know something. There are two kinds of security, either under the civil law or the common law. One is security related to real or immovable property, and the other is related to movable property, or chattels. Something that is a structure and is attached to the soil is an immovable or real property and is not, and cannot be, the object of a chattel mortgage. This whole bill is designed to make available credit to farmers, or syndicates of farmers, on the sole strength of the security of the chattel itself, the movable piece of equipment, the farm machinery. This is the purpose of this legislation. Other legislation—

The Chairman: Order. I hesitate to interrupt the minister but I am just wondering whether at this stage he is not discussing the principle of the bill, which was considered on second reading, at the resolution stage and in the discussion on clauses 1, 2 and 3. I would hate to see the committee enter into a further discussion on the principle of the bill. I would invite the minister to limit his remarks to clause 9 as much as possible.

Mr. Drury: I was coming to that, Mr. Chairman. I apologize, but it seemed that the principle of the bill had escaped the hon. member for Acadia. The reason, then, why one cannot include structures such as a silo, or a barn or a farmhouse under the definition of "farm machinery" is that this is a bill related to chattels.

Mr. McIntosh: What about an electric pump?

Mr. Drury: Anything that is a movable, or is a chattel, I suspect would be included under the provisions of this bill. Although I cannot guarantee this, I believe the Minister of Agriculture, who has the interest of the farmers at heart, is going to endeavour to define these items as farm machinery. He cannot, under the law, define a silo, which is a structure, as farm machinery.

Mr. Bigg: Some silos are movable; you can get them on skids.

Mr. Drury: A house is movable, too, if you put it on skids; but it still is not regarded as machinery. The fact of the matter is that if a silo is built on the ground and is incorporated thereon, it becomes a structure and not a chattel, and therefore cannot be classified as machinery.

Mr. Bigg: I understand.

Mr. Drury: Then will you explain that to your colleague?

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): Mr. Chairman, I want to commend the Minister of Industry for making this statement. That is the first explanation we have had in this regard. He came to grips with the problem, he defined what is meant in a very good way, and I can understand it quite well. All I want now is the Minister of Agriculture to get up and say the same thing; to say that anything that moves or anything that is movable will qualify under this bill. If he says that now, I will accept it. Is he prepared to agree with his fellow minister?

Mr. Hays: I am sorry, Mr. Chairman; I did not hear the hon. member.

Mr. Horner (Acadia): There is nothing I like more than talking, so I will gladly repeat myself. I said I commend the Minister of Industry for coming to grips with the problem. He gave a reasonable explanation. Whether or not I accept it wholeheartedly, I want to commend him for facing the issue and coming to grips with it. He said—and this is the gist of my question—that it would be anything which is movable, rolling. The minister is shaking his head. What did he say then?

Mr. Beer: Read it in *Hansard* tomorrow.

Mr. Horner (Acadia): He said that anything which was movable would be considered under this act. All I am asking is: Could the minister make a similar statement? I will not hold him to it to the letter, but let him stand up and tell us.

Mr. Hays: I would be very pleased to. I have a great deal of respect for the Minister of Industry and I agree wholeheartedly with what he said. If the hon. member would take a good look at what he said in *Hansard* tomorrow he will see why I agree with the Minister of Industry, if he wants to be really honest with himself.

Mr. Horner (Acadia): I am always really honest with myself and with everybody else. Now the minister has agreed that far. Would he agree that a movable electric pump used for agricultural purposes would be a farm machine?

Mr. Hays: Yes; I do not think there is any question about that.

Mr. Horner (Acadia): Let me go one step further. Would he say that a stationary electric pump was also a machine?

Mr. Hays: Yes, if it was used to help irrigate three or more farms.

Mr. Horner (Acadia): Let me use one more example. You have been patient with me, Mr. Chairman, but I have had to work fairly hard to get the minister this far on a definition of "farm machinery". Let us say that my neighbours and I are going to set up a hog feeding plant. We set up a number of self-feeders. This hinges on the Minister of Industry's definition of a stationary building. A self-feeder is movable. It is on skids; many of them are on wheels. Supposing I have a self-feeder which is portable and movable. Suppose that my neighbours and I are going to buy a group of self-feeders to feed 3,000 or 4,000 hogs. These feeders will cost a lot of money and we would have to form a syndicate to buy them. Would the minister classify them as farm machinery?

Mr. Hays: I suppose this is why farm machinery should be defined under regulation. If a group of people were going to feed their cattle with one of these large worms, which are very successful in many places, I suppose it would be farm machinery. But if it was a hog feeder which you dragged out into a field, put a little grain in it and then used it, I would say it was not a machine.

Mr. Horner (Acadia): In other words, the minister agrees, and accepts the definition of

the Minister of National Revenue that it has to have moving parts.

Mr. McIntosh: You mean the Minister of Industry.

Mr. Horner (Acadia): No, the Minister of National Revenue. I ask the minister both as a farmer and as the Minister of Agriculture whether he accepts that definition. The hon. member for Swift Current-Maple Creek has never been given a definition and neither have I, but I came to the conclusion that this is the rule of thumb which is used. I know for a fact that this is his rule of thumb, but does the minister agree that that is the rule of thumb?

Mr. Hays: I do not know whether the hon. member was here when the Farm Credit Act was passed, but if he agrees with this legislation he would also agree that this should be defined by regulation as it was in the Farm Credit Act. I think it proves all the more that machinery can only be defined by regulation. Machines change from day to day. One machine today may be a different sort of machine tomorrow, a machine for which we have no name yet.

Mr. Horner (Acadia): One further question. If a hog self-feeder is not a farm machine, what is it?

Mr. Hays: It is a hog feeder.

Mr. Horner (Acadia): Well, I am not satisfied with that explanation. How would the minister classify it?

Mr. Hays: A place where pigs can eat.

Mr. Horner (Acadia): I must say the minister is showing leadership. I am agreeable to passing this bill at six o'clock. I was agreeable to passing it ten minutes ago, and we will pass it yet if the minister will quit fooling around and giving such answers. I am trying to be serious. How would the minister classify a hog self-feeder?

Mr. Hays: We would have to define it by regulation. My feeling would be that it is not a machine.

Mr. Horner (Acadia): Then what is it? Is it an instrument?

Mr. Hays: It is the same as a stoneboat or any other piece of machinery.

The Chairman: Order. Is it the desire of the committee to call it six o'clock?

Mr. Horner (Acadia): No.

Mr. McIntosh: Mr. Chairman, the Minister of Industry is apparently helping the Minister of Agriculture with the legal definition of certain terms. He says he understands the law and should know something about it. I took it from his explanation of the difference between machinery and fixtures on the land that he did not mean the immovable parts of certain instruments were fixtures; he meant buildings and such like. I wonder whether he would tell the house if a steel grain truck box is a piece of machinery, or is it a fixture?

Mr. Drury: Perhaps this is a little irrelevant to the debate but let me say that I cannot and I do not pretend to be able to define within the category of equipment or chattels what is a machine and what is not. To be quite frank I do not know.

Mr. McIntosh: The minister is helping the Minister of Agriculture and we want to know what will be classified as farm machinery. We are asking simple questions. The minister said that he knew the law and all we want is his answer. Is a steel truck box a piece of machinery; yes or no?

Mr. Drury: The hon. member will have to wait for the regulations.

Clause agreed to.

Clauses 10 to 14 inclusive agreed to.

Title agreed to.

Bill reported and read the third time and passed.

CROP INSURANCE ACT

AMENDMENTS RESPECTING REINSURANCE PROGRAM

The house resumed from Wednesday, September 16, consideration in committee of the following resolution—Mr. Hays—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to amend the Crop Insurance Act to authorize the governor in council to enter into agreements for the purpose of establishing a crop reinsurance program to supplement provincial crop insurance plans; to provide for the establishment in the consolidated revenue fund of a special account, to be known as the crop reinsurance fund, to which shall be credited amounts paid by a province under a crop reinsurance agreement and out of which shall be paid amounts required for the payment of reinsurance claims; to authorize advances from time to time from the consolidated revenue fund by way of non-interest bearing loans to the crop reinsurance fund; and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Olson: Mr. Chairman, when the committee rose on the evening of September 16 I had only had about three or four minutes to express some views respecting the resolution before us. I do not want to take a great deal of time this evening in attempting to examine the whole field of crop insurance for Canadian farmers in all the various areas and for all the different types of operations throughout Canada. I do, however, think it is worth repeating, as has been said before in the house a number of times, that the crop insurance schemes set up by three of the provincial governments on a pilot project basis have been something less than successful. In other words, if these pilot projects were to provide the experience and direction necessary to institute a complete and comprehensive crop insurance scheme they have not succeeded in doing so at least up to this time. So I think we will have to be patient while these crop insurance schemes evolve and until either the provincial governments or the federal government are prepared to embark upon a complete and comprehensive insurance scheme that will provide insurance and income to farmers all over Canada in case of crop failure.

The resolution before us represents a forward step. I think one of the reasons why the provincial governments have been a little timid in expanding their crop insurance schemes is that there was the overhanging possibility of being faced with a crop disaster year when a great deal of crop was under the insurance scheme, with the result that their resources would be taxed beyond their capacity to meet the payments if such an occurrence took place. It may be that new information will come to the attention of provincial governments over the years on the basis of the experience they gain respecting these matters. We know that up to the present time the provinces of Saskatchewan and Manitoba have tried crop insurance on a very limited scale. We know that Prince Edward Island has also proceeded to take what has been referred to as a very timid step. At the last session of the Alberta legislature enabling legislation was passed so that that province too can establish a pilot project.

As I said, I think the action of the government to provide for reinsurance is a good move from the point of view of assisting the provincial governments if they should encounter what might be termed a tragedy year. But what I am even more concerned about while we are gaining experience is the suspension of the Prairie Farm Assistance Act in those areas where crop insurance schemes are established. We have had 25 years of experience in evolving a plan not necessarily of crop insurance but at least of a type of payment to farmers in the three prairie provinces today you will find that failure. Certainly this experience has caused the federal government to recognize the weaknesses and to introduce amendments to the act from time to time to take care of those weaknesses. If you go to many parts of the prairie provinces today you will find that the farmers are reasonably well satisfied with the operations of the Prairie Farm Assistance Act. In saying that, Mr. Chairman, I am not suggesting it is perfect. I think it could be still further amended so that it would in fact be a form of insurance rather than simply a payment when disaster strikes.

We in this party believe that we could perhaps use the administration developed under P.F.A.A. to good purpose in embarking upon the much wider field of crop insurance. So far as the resolution before us is concerned, it requires complementary operative legislation passed by the provinces before it will have any effect at all. I am not entirely sure in my own mind whether this is the responsibility of the provinces. I know that a fairly good argument can be made on the basis of the varying types of conditions in the different provinces or regions of Canada, and perhaps it would be better if programs were developed in such a way as to take into consideration the specific conditions existing in a region. Perhaps that argument has some validity. On the other hand, under P.F.A.A. we already have a rather large organization with offices established and experienced personnel in several of the provinces and certainly we should not disregard their experience. Before I would be prepared to suggest that the Prairie Farm Assistance Act is completely successful I would say we have to recognize there are some improvements required in the administration of that act as well. I had intended to go into considerable detail about this because the resolution calls for the suspension of the P.F.A.A. wherever crop insurance schemes are set up.

During the last few days I have noticed another resolution on the order paper, No. 78, which in fact calls for referring the royal commission of inquiry into the P.F.A.A. to the committee on agriculture. I believe that

would be a more appropriate time to deal in detail with some of the changes that ought to be made in the administration of the P.F.A.A. Tonight, Mr. Chairman, I do want to say this: during the past few months we have had a very serious cloud cast over the administration of the P.F.A.A. across Canada because of certain actions that took place in this house and a committee of this house. I believe that there ought to be an opportunity to present the other side of the coin to the Canadian people so they will not believe this Prairie Farm Assistance Act is some kind of political pork barrel, and a few other things, as it was called in *Time* magazine of August 7. There are weaknesses, and serious weaknesses, but one of the most serious weaknesses recently in the administration of the P.F.A.A. has been the fact that persons in responsible positions have stood in the way of punishing those who chose to abuse the regulations of the P.F.A.A. This, Mr. Chairman, is something that needs to be corrected.

There is an editorial in the *Western Producer* of August 27, 1964, which reads in part as follows:

> The P.F.A. Act is a sound piece of legislation, of immense help to farmers in dry years. We cannot see it being supplanted in this area by more comprehensive crop insurance for a long time to come. It is therefore of supreme importance that it be administered and used fairly and honestly by all concerned. And let those who are not concerned, meaning all but the farmers and the properly constituted administration and the minister in charge, keep out of it altogether.

Well, Mr. Chairman, this is a rather profound statement coming from a paper that has its circulation primarily within the area in which P.F.A.A. is operative. I should like to quote one paragraph from *Time* magazine for August 7:

> The Pope report found that there were indeed "irregularities in the Swift Current situation which reverberated all the way to Tory agriculture Minister Hamilton's office. According to the judge's version of the story, McIntosh "had a very profound influence" over P.F.A.A. Swift Current supervisor George Walker, and he put pressure on Hamilton and his executive assistant, Roy Faibish, to get the election-time cheques out quickly. Left in charge of the matter, Faibish prevailed on the P.F.A.A.'s board of review to clear the cheques although the P.F.A.A. directors had argued that they should be held up while the doubtful claims were investigated.

There are more and more of these. I have an editorial from the Edmonton *Journal* dated August 14 which supports my contention that the recommendations of this Pope royal commission ought to be referred to either the committee on privileges and elections or the committee on agriculture.

Mr. McIntosh: Mr. Chairman, I rise on a point of privilege. I trust that since you have allowed this member to go as far as he has, although the subject of his remarks has nothing to do with the resolution before us, I will have an opportunity to say a few words afterwards.

The Chairman: Perhaps the hon. member who has the floor now might like to relate his remarks to the resolution before the committee.

Mr. Olson: Yes, Mr. Chairman, I would be pleased to draw your attention to the last paragraph of the resolution before the committee.

Mr. Gundlock: I rise on a point of order.

The Chairman: Order; I understand that the hon. member for Medicine Hat is replying to the point of order raised by the hon. member for Swift Current-Maple Creek. I asked him if he could relate his remarks to the resolution before the committee and if the hon. member for Lethbridge wants to raise a point of order after that he may do so.

Mr. Olson: The last sentence of the resolution before the committee reads:

> —and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

I think it is fairly obvious from the remarks I have been making with regard to P.F.A.A. that it is part and parcel of the resolution that is before us. I certainly want to remove any cloud that has been cast on the usefulness and validity of the P.F.A.A. That is all I want to say on the point of order. If there is nothing else, I shall try to continue my speech.

Mr. Lambert: I should like to say something on the point of order. I would draw Your Honour's attention to the rulings this afternoon when we were dealing with a particular clause. If hon. members strayed from it the least bit Your Honour was on his feet immediately, and I think that perhaps the same diligence might be applied here. If we are going to go into a discussion of the whole of the Prairie Farm Assistance Act, as the hon. member is tending to do, since he is bringing in a subject that has been discussed on many occasions in the past and which has nothing to do with the proposal of the minister with regard to crop insurance within the scheme of the Prairie Farm Assistance Act, then I would suggest that the whole of the

prairie farm economy will be before the committee. There is a limit.

The Chairman: Of course the point raised by the hon. member for Edmonton West is well taken, but what we have here is a resolution. It is always easier for the Chair to define the limits of discussion when we are discussing a particular clause of a bill. In this case there is a rather complex resolution and I must admit it is not too easy for the Chair to determine when an hon. member is going beyond the terms of that resolution. I certainly appreciate hon. members bringing to the attention of the Chair someone who is straying from the matter under consideration. I admit that we are not discussing the Prairie Farm Assistance Act at the moment. Perhaps the hon. member for Medicine Hat will limit his remarks to the resolution specifically before us at this time.

Mr. McIntosh: Before you make your final ruling on the point of order, Mr. Chairman, I suggest the member speaking on this resolution has gone away beyond the limits, I have no objection to his bringing up everything under P.F.A.A., but I still want the right to refute some of his arguments, some of his insinuations which have been carried in the press. He seems to believe them. There has been no explanation from the person involved, and since he has mentioned my name I should have an opportunity to put this member straight.

The Chairman: As a final word, we all see that the resolution before us contains a specific reference to rebates to grain growers. However, I do not think this should open up the whole field of the Prairie Farm Assistance Act.

Mr. McIntosh: You have allowed it to be done.

Mr. Olson: I shall certainly bow to your ruling, Mr. Chairman, but I would draw to your attention that when this legislation comes into force in the three prairie provinces it will be a substitute for the operations of the Prairie Farm Assistance Act because that act will be withdrawn from those areas where this is applicable. For that reason I cannot understand how one could be more relevant than in discussing the merits of a plan that has been operating for 25 years, when in fact we are debating a resolution that will be a substitute for it.

I do not believe I have been out of order in anything I have said up until this time, because if you read the resolution carefully you will see it is a substitute for the Prairie Farm Assistance Act, and I am trying to point out that that act has been successful except in those areas where it has been abused. Further, how I can develop that argument, without referring to some of the quotations that were widely used across the country during the last six or seven weeks, is beyond my comprehension. I realize there will be an opportunity to discuss this matter later in the session whenever item No. 78 on the order paper comes up for debate, and at that time we will be able to discuss the Pope report and all matters respecting the abuses of the administration of the Prairie Farm Assistance Act. For that reason I will not pursue the matter further tonight.

In closing I suggest that if it is the intention of the government to reinsure provincial crop insurance schemes from time to time, with a view to the eventual suspension of the Prairie Farm Assistance Act, it is a mistake. This act has 25 years of experience behind it. Over the years numerous amendments have been made to it, changes have been made in the regulations and in the amount of the levy farmers pay, and all these were undertaken to ensure it continued to do the job it was designed to do. I shall express myself in much more detail on this when item 78 comes before the house.

Over the last 25 years the Prairie Farm Assistance Act has cost the treasury an average of less than $10 million a year to guarantee some return to all the farmers in the three prairie provinces. It has taken the tragedy out of complete loss from failure of crops, and has been one of the cheapest and best federal programs for protecting a large group of Canadian citizens from tragedy.

When there is a good crop year, such as there was in 1963, the farmers pay a large amount of money back into the fund through their 1 per cent levy. I do not say they completely restore the fund, or that the fund has been actuarially sound for the past 25 years, but no other federal assistance program, in agriculture, unemployment insurance, freight rate subsidies, or whatever you care to name, such as subventions for coal, has given the same security to as large a group of people as the Prairie Farm Assistance Act, and at such a low price.

I presume the provinces will be setting up more pilot projects. I understand Alberta is trying to work out some kind of project for 1965, and although I do not know the details I understand Saskatchewan and Manitoba

amend their crop insurance schemes year by year. I hope that some day out of all this there will be evolved a crop insurance scheme that will be truly operative and workable, and available to farmers at premiums that will not be prohibitive. In the meantime I urge the minister to be careful in withdrawing a scheme that has been satisfactory, and substituting something for it which to date has not been successful.

All this resolution will do is take certain areas out of the administration of P.F.A.A. and reinsure the provincial schemes that may be set up in those areas. If the government feels P.F.A.A. is costing too much money, perhaps the levy could be adjusted from 1 per cent to 1½ or 2 per cent, and along with that the maximum awards paid under P.F.A.A. could be increased to compensate for complete crop failure. Before the government goes too far in setting P.F.A.A. aside I think it should consider some amendments to that act which, as I say, has been so successful for the last 25 years.

[*Translation*]

Mr. Rondeau: Mr. Chairman, I should like to say a few words on resolution No. 49 now under study. This resolution is of interest not to us, but to the western provinces. We are pleased that it has been introduced.

It is noteworthy that not very long ago we were promised a crop insurance scheme for eastern Canada, as we were also promised a department of agriculture for eastern Canada; but a perusal of this resolution shows that the crop insurance scheme for the east will suffer the same fate as the department of agriculture for eastern Canada.

As can be seen, this resolution deals with the signing of agreements for the establishment of a crop reinsurance program to supplement provincial crop insurance plans.

As far as Quebec is concerned, it will not be difficult to supplement the provincial plan, because we have no such plan at present.

Our province has absolutely no crop insurance program even though people have been talking about it for years. Eastern farmers, especially those from Quebec, are still expecting the federal parliament or the provincial legislature to set up a crop insurance scheme adapted to the needs of the province.

A little further, toward the end, the resolution reads as follows:

—to authorize advances from time to time from the consolidated revenue fund by way of non-interest bearing loans to the crop reinsurance fund; and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

Now in the text of this resolution the province of Quebec has been entirely forgotten, and I think the minister is doing the same thing himself.

It seems to me that it is contrary to normal procedure to levy taxes indirectly in order to come to the assistance of the western provinces. We are delighted to see that they have finally got a crop insurance scheme in the west which, although it may not be 100 per cent satisfactory to them, is improving little by little. But in the province of Quebec we are still awaiting the day when this act will be passed.

Various areas of the province have suffered losses this year; in my area apple orchards have suffered; elsewhere other sectors of agriculture have sustained losses. I know some farmers who at the present time are completing provincial government claim forms, who completed such forms a year ago, two years ago, and who have not received a red cent.

Not later than yesterday morning a farmer came to see me. All his apples were destroyed by frost this fall, and the federal government's resolution contains absolutely no provision for assisting this apple grower or, in the Beauce area, the maple syrup producers, the raspberry, strawberry or various garden crop growers.

When this resolution is considered by the committee on agriculture, I should like the minister to add to it a few paragraphs having in mind the province of Quebec and eastern Canada, and to take into consideration other products than grain. Grain is an important asset in our country but farming in Canada is not exclusively concerned with grain; farmers in eastern Canada are engaged in mixed farming.

In the last few years I know that some farmers have spent large amounts for seeding their land and who lost their crops for various reasons. The federal government could easily reimburse expenditures of that kind in the province of Quebec or in other provinces.

A farmer or an apple grower must spend two or three months to maintain his orchard, his raspberry, and his strawberry patches; he may spend from $2,000 to $3,000 hoping that he will have a crop in the fall. But when he loses everything, it seems that the federal government could create out of this crop reinsurance fund, a fund to compensate

the farmer for expenditures incurred in seeding or cultivating his orchard.

Mr. Chairman, it seems very difficult for the present Minister of Agriculture, as it was for his predecessors, to set up a crop insurance scheme which would be in the interests of the province of Quebec or of eastern Canada.

Our crops are diversified, and we are proud that the farmer belongs to our national heritage and can grow such fine products. However, at present no provision in our laws will assist the province of Quebec and take into consideration the conditions of its agriculture. Such legislation does not exist.

Since this is a resolution it is impossible to further discuss the program of crop reinsurance, but I wish that the minister would consider reimbursing essential expenditures to farmers who lose their crops. It costs $2,000, $3,000 or $4,000 yearly to maintain an orchard; seeding costs some of our farmers $2,000 or $3,000. It would be easy to provide for the reimbursement of the essential outlays, when they have put in the crop.

Mr. Chairman, it might seem complicated but it is not. Until now we have never given thought to crop losses in eastern Canada and I see, on the government benches, good Liberal members who during the last electoral campaign promised a crop insurance. I do not know whether they intended it then for western Canada only, but from their speeches it seemed to me that they meant agriculture in eastern Canada.

It is time to add a few paragraphs to this resolution to ensure that the Quebec farmers are not completely forgotten.

[*Text*]

Mr. McIntosh: In speaking to this resolution may I say that the last part of the resolution is difficult for me to understand. I will not read it. To me it seems to be a melding of the Prairie Farm Assistance Act as we know it with the Crop Insurance Act.

It is not often I agree with the hon. member for Medicine Hat but maybe this is one of the times I do agree with him. This is a move to destroy the Prairie Farm Assistance Act—and I say that with my tongue in my cheek. I say to the hon. member for Medicine Hat that perhaps he is one in this house who has done more to destroy the Prairie Farm Assistance Act than anyone else in Canada. Tonight he deliberately started a smear campaign by referring to articles such as the one in *Time* magazine, before hearing the other side of the story, and I am afraid others in this house have also made statements without hearing the other side of the story.

In order to correct certain wrong assumptions I should like to clear up a few inferences which were left by the Pope report, as it is called. I attended most of the hearings. I heard the evidence. I know that the director made four accusations—

Mr. McIlraith: I rise on a point of order which I think should properly be advanced at this time. It is merely this. The reference to the Prairie Farm Assistance Act is only incidental to permitting grain grown on insured land to receive a rebate, and I submit that debate should be limited to this particular item in the resolution and not be allowed to extend over the whole subject of the Prairie Farm Assistance Act and the other matters which are dealt with under item 78 on the order paper.

If the remarks of the hon. member for Swift Current-Maple Creek are to be limited to answering earlier remarks which may have been made before the point of order was taken, I have no objection. But if they are the start of an attempt to go beyond that, I would wish to raise a point of order.

Mr. McIntosh: On that point of order, Mr. Chairman, I would say that although the minister has given us his idea of what the resolution means I have another idea of what it means. I believe it is the thin edge of the wedge designed to do away with prairie farm assistance. That is what I am speaking about tonight and I think it demands a certain amount of explanation on my part.

Mr. Olson: I agree with the minister to some extent when he says there will be an opportunity to discuss P.F.A.A. under resolution No. 78 on the order paper. At the same time he said this resolution is simply limited to rebate certain sums collected on lands which have been reinsured. Along with that goes a clear implication, if nothing else, that P.F.A.A. in so far as its being effective on those lands where the rebate will be made, will no longer be the case; in fact, on those lands, P.F.A.A. is going to be withdrawn. Therefore, I think the hon. member for Swift Current-Maple Creek in discussing P.F.A.A. in an extended way would be in order because in fact P.F.A.A. is going to be suspended wherever this reinsurance applies.

The Chairman: The point of order was raised previously by two or three hon. members, who I thought made a good point,

namely that the resolution as it is before the committee does not deal with the Prairie Farm Assistance Act, except in its reference to the authorization of a rebate. The hon. member for Medicine Hat had, to my mind, strayed some distance from the essence of the resolution. He was called to order and was generous enough to go along with the chairman and say that he would not pursue the matter further.

I think the minister made a good point when he referred to the fact that the hon. member for Swift Current-Maple Creek may have wanted to reply to whatever charges or suggestions had been made previously. To that extent I think he should be allowed to reply to what has been said by the hon. member for Medicine Hat, subject to this limitation; I doubt whether it would be very wise for the committee at this stage to go into the whole operation of the P.F.A.A., particularly in view of the fact that item No. 78 on the order paper would perhaps be a much better vehicle by which to enter into such a discussion.

Mr. Olson: Mr. Chairman, before we get into any more difficulties in this regard I wonder whether the Minister of Agriculture would tell us if the effect and operation of P.F.A.A. is going to be withdrawn on those lands where this resolution will be operative.

Mr. Hays: Mr. Chairman, the answer is yes in so far as lands that are going to be insured are concerned. But if we are to replace the P.F.A.A., this would take a very long time. If this resolution were to replace the P.F.A.A., all the areas would have to be under crop insurance.

Mr. Nasserden: On the point of order that has been raised, Mr. Chairman, I think this resolution does not provide for the type of discussion that would bring into play the principle of whether crop insurance was preferable to the P.F.A.A. This resolution deals with a way to improve and extend the crop insurance legislation. I believe that at the time the crop insurance bill itself was brought into the house, the house decided that crop insurance was a good principle, and that is why it was finally accepted by the House of Commons. For that reason I feel that too wide a discussion would not be proper at this time.

Mr. McIntosh: If I may speak on a point of order again, Mr. Chairman, the minister admitted that this resolution will do away with the P.F.A.A. He qualifies this by saying it may take a long time. This just confirms my statement of a few moments ago that this is the thin edge of the wedge and it will destroy the P.F.A.A.—and the minister knows that. In fact, what will be left will be those areas in which the premium will be so high that the farmers cannot afford to take out insurance. This is the thin edge of the wedge and in my opinion now is the very time it should be straightened out.

The Chairman: I might say that that debate can be allowed within the confines of the resolution. This is all the Chair can allow. The rules are there and they say that in committee debate must be strictly relevant to the subject matter. I can only bring this to the attention of the hon. member who now has the floor and trust he will abide by the rules.

Mr. McIntosh: Mr. Chairman, I am dealing with the words of the minister, that this resolution will eventually do away with the P.F.A.A. I will refer to some of the reasons why the minister perhaps wishes to do away with the P.F.A.A.; some of the wrong impressions the country has about this particular act, and some of the wrong impressions about the remuneration that the farmers receive under this act.

I wish to refer back to the inquiry under Judge Pope, where the director of P.F.A.A. made an accusation against the supervisor in my area. I do not have to go back too far; I do not have to go over all the ground again. But the minister knows full well that when he rose in the house and made this accusation against one of my constituents, it was groundless; in fact he withdrew it later on.

Mr. Byrne: Order.

Mr. McIntosh: What is the matter with you? Do you want to get up and speak?

Mr. Byrne: Mr. Chairman, I think it is completely irrelevant to deal with the administration of the P.F.A.A. under this resolution. There is no connection whatever. The hon. member will see that there is on the order paper an item dealing with P.F.A.A., and I am sure that if he so desired, he could raise this question when that item is before the house. There will then be ample opportunity to deal with this question, but it should not be done at this time.

Mr. McIntosh: Are you asking me a question? Are you asking me whether I think it is relevant or not?

Mr. Byrne: You are out of order.

Mr. McIntosh: Are you the chairman, as usual?

Mr. Byrne: No, I am not the chairman; but it is my duty to bring this matter to the attention of the Chair.

The Chairman: Order. A point of order has been raised by the hon. member for Kootenay East and it seems to me that the point is well taken. This is the field which the hon. member for Medicine Hat sought to enter a moment ago and he was asked by the Chairman not to enter it. If the hon. member did go into this field I am sure it would then be impossible to stop a fully fledged discussion on that aspect of the question, which is the administration of the P.F.A.A. I suggest that the hon. member is getting away from the resolution before us when he discusses that type of detailed administration of the P.F.A.A.

Mr. McIntosh: Mr. Chairman, I was under the impression when I rose first, when the hon. member for Medicine Hat was making insinuations, that I would be given the opportunity to answer some of the statements he made. That is all I am trying to do right now. In fact, Mr. Chairman, I will cut my remarks as short as I possibly can at the present time.

The Pope report, and the hon. member for Medicine Hat, said there were irregularities under P.F.A.A. in my area. I challenge the government, I challenge the hon. member for Medicine Hat or anybody else to prove that there were irregularities in my area. I have said politics were brought into this matter, and the minister knows that when he set up this commission of inquiry it was to investigate P.F.A.A. in the whole of Saskatchewan. I have said this in the house before and I will say it again: Why did this inquiry investigate the Swift Current area only? That question has never been answered. I say to the minister now that if there were any irregularities, it is his responsibility to see that these people are prosecuted. I want to know why they have not been prosecuted. I want to know why a judge of our courts said, "I recommend that no attempt should be made to secure reimbursement from any of the farmers who received an award". If any of these farmers received an award to which they were not entitled, they should be prosecuted. As a minister of the crown the Minister of Agriculture should see that they are prosecuted.

The hon. member for Medicine Hat has raised the question of the 130 farmers who were examined in this inquiry, and the inference he left that they were wrong is absolutely ridiculous. If you read the transcript of evidence and see the question the judge asked those farmers, you will understand how ridiculous it is. You will also appreciate the danger of an inquiry such as this. A farmer stated that he had a six bushel average crop this year and as such he was entitled to payment under P.F.A.A. It did not matter how many dollars he had in the bank or how many bushels of wheat he had on his farm; he is paying for this protection—he pays 1 per cent of his sales each year. But the judge, on investigating this, with the intention of leaving the inference—which he did, and which apparently all the members of this house believe—asked the farmer this question, "You say you had a six bushel average crop this year, but you have 10,000 bushels stored on your farm. If that was on this year's crop, you would have 26 bushels to the acre?" The farmer said, "That is right". The judge dropped it there, with the inference that the farmer did have a 26 bushel average, to the acre, that year instead of six.

I could say many things about this report, particularly about the last recommendation contained therein, which is:

> I recommend that consideration should be given to placing the permanent staff of the prairie farm assistance administration under the civil service of Canada—

This is the point that bothers me. Why did the judge include these last three lines, which say:

> —in order to eliminate the possibility of political pressure beng exerted on those entrusted with the responsibility of administering the act.

I would suggest that he indicts himself here. He was not only appointed a judge by order in council, but he was appointed commissioner of this inquiry by order in council. Does he mean to say that the government or some politician forced him to bring in a report like this? I say that those three lines are an insult to 50 per cent of the public servants in Canada. I think the minister should be ashamed of himself for setting up this inquiry and ashamed of himself for not getting up in this house and explaining the truth to the people of Canada, rather than leaving the insinuation which has been left in the house for so long.

That is all I have to say, Mr. Chairman.

Mr. Gundlock: Mr. Chairman, before the resolution carries I have one or two things I should like to say, although I might be a little sidetracked in view of the previous remarks. I should like to draw to the attention of the committee some matters which

concern my particular area of Canada as well as Canada as a whole. As I understand it, crop insurance and crop reinsurance applies to Canada as a whole. Provinces almost from coast to coast are considering taking advantage of this legislation. However, there is some doubt in my mind about this word "reinsurance". For example Alberta has no insurance agreement at the moment. I am very much in favour of crop insurance and reinsurance, but in view of the position in Alberta I should like the minister to explain how there can be "reinsurance" in a province which has no insurance to begin with.

Another point which comes to mind is a little more basic. This is a program for general crop insurance which, as I have just said, I am very much in favour of. I am particularly in favour of this bill because its provisions would apply from coast to coast as agreements are reached between the provincial governments and the federal government. I am disappointed that Alberta is apparently dragging its feet in reaching some agreement with the federal government; perhaps Alberta is one of the provinces which is asking for reinsurance before there is even any insurance agreement.

Some of these matters have been touched on in connection with a previous bill, but I find it rather hard to amend legislation before it is even put into effect and tried. In my particular area of Alberta as well as in other areas across the country it would be easy to institute a crop insurance program. I am not too sure why certain provinces are dragging their feet but as far as Alberta is concerned one reason must be that there is no crop insurance in force in the province at the moment. All too often Canadians have to have things all wrapped up with a blue ribbon before they will even look at them. I think Alberta should have taken part in this scheme earlier, and I hope the minister will even go so far as to put on record why we have to make provision for reinsurance before some provinces even have insurance.

Much has been said about the Prairie Farm Assistance Act and I should like to say something in defence of P.F.A.A. Although I have had many complaints about P.F.A.A. in my area I do not think this is due to any faults in the legislation itself. Something which we in this committee should guard against at all times, and be jealous of, is the fact that after passing legislation we often find some difficulty in giving it recognition, purely because between the time it becomes law and its application in the field many rules and regulations are appended thereto. We try to anticipate these rules and regulations in this house, regulations which in many cases are much needed; but the fact remains that the addition of rules and regulations makes it hard actually to recognize the original legislation. Sometimes these rules and regulations change the whole meaning of the act. Perhaps it is time that the rules and regulations in connection with P.F.A.A. and the legislation itself were amended, much in the same way as other legislation throughout the years comes up for revision in order to simplify it, to clarify it and to bring it back to earth.

If I may return to the subject of crop insurance and reinsurance for a moment, I have heard it suggested here that we should consider raising the levy against grain growers for the purposes of P.F.A.A. I should like to say that I am definitely not in favour of that. I should like to point out why, and try to relate my reasons to the resolution before us providing for a crop reinsurance program. Some areas have long term averages of, say 20 bushels to the acre over a period of 30 to 40 years. Let us say that the gross price throughout those years has been $1.50 a bushel or $30 an acre. One per cent of that is 30 cents an acre. This is the gross, not the net figure, and if you take 30 cents an acre for a 20 or 30 year period you have $6 or $9 an acre. Actually no benefit whatever has been received and even at today's prices the amount of money paid represents the price of a good amount of crop insurance.

I have no real complaint on that score but I do have a complaint about raising the levy for any purpose unless it is for an improvement. I can recall several years when if I had realized 1 per cent of the gross—you can figure out what that is when you get down to the net—or 2 or 3 per cent of the net I would have thought I was doing very well on my investment. I want to say very definitely that I am not in favour of raising the P.F.A.A. levy as suggested by the hon. member for Medicine Hat.

Mr. Olson: Mr. Chairman, I wonder whether in fairness the hon. member would also say that I suggested the awards be raised correspondingly?

Mr. Gundlock: I accept that, but nevertheless the hon. member suggested that the levy be raised. There are many areas in Canada where the farmers have contributed to P.F.A.A. over long periods and have not had to take advantage of the act. The farmers in these areas do not think that the levy should

be increased. I think they would be much more in favour of crop insurance and the resolution before us at the moment. I realize that the figure I mentioned is an arbitrary one but it is not too far off the mark, and if you take that figure and apply it to a crop insurance program and add to that the contributions of the province and the federal government you have much broader insurance coverage than you could ever have under P.F.A.A. at the present time for the same amount of money. Where crop insurance programs have been instituted in the provinces in the last two or three years they have been successful. I realize this has brought about the request for reinsurance which is something that probably should have been provided in the first place, although I am not too sure about that. In all honesty and fairness I think it should be tried before a reinsurance program is guaranteed.

I spoke earlier about the ills of P.F.A.A. Probably one of the greatest drawbacks has resulted from the rules and regulations made under the legislation, and not from the legislation itself. I refer to the fact that a farmer on one side of the road may be covered under P.F.A.A. and a farmer on the other side of the road may not be. It is things like this that make the legislation ambiguous. It is things like this that in my opinion have caused members to say that this resolution is the thin edge of the wedge to get rid of P.F.A.A. Frankly I do not think it is. It may be a lever or a way of calling our attention to the needs of the legislation itself, but in no way do I think that the reinsurance plan envisaged in the resolution will take away from P.F.A.A.

There is a need for this resolution and basically I have no complaint with it whatsoever. I am only trying to point out some things that have been referred to earlier. With regard to authorizing the rebate, I may say that I have read the Crop Insurance Act and I should like to ask the minister to clarify this point. In reading the original legislation I thought it was up to the federal government and the provincial governments to cover this in their agreement on a crop insurance program. Perhaps I did not read it correctly. If this is not the case, then this is a necessary part of the resolution. However, I do not think we should consider raising the P.F.A.A. levy, nor do I think we should cast any reflection on the people who have administered P.F.A.A. throughout the years, those who are now deceased, those who are retired and those who are now working for the administration. I think they should all be

complimented and that we should say to them: Well done. I hope they will take part in the crop insurance program. In fact I am very sure they will, and with their guidance and experience it cannot help but be successful provided the provinces co-operate.

I hope there will be more co-operation from the provinces. The next time the minister is in Alberta I hope he will urge the minister of agriculture for that province to participate in this program and, if I may be so brash, I would suggest that the federal minister might ask the provincial minister to consider the southern area of Alberta. I think the minister's area in particular could benefit very much from this legislation. I live in one of those fortunate areas that does not have very much hail or very many grasshoppers and has a fair amount of moisture. As far as I am concerned, crop insurance would be just fine. I have no regrets about the amount of money I have paid under P.F.A.A., but I urge the minister to emphasize the importance of this program the next time he talks to the minister of agriculture of Alberta or the ministers of agriculture of the other provinces. I am quite sure there has been enough experience in Canada already to do away with any fears that the crop insurance program will not work. However, adjustments may have to be made from time to time and perhaps we have one before us now.

I listened to an hon. member a while ago, and while I did not catch all of the translation I gathered that he hoped this program would apply to the eastern provinces. It is my understanding that it will and I should like to say that I am also very happy that this is one program at least in the Department of Agriculture which will apply from one end of the country to the other. I might be mistaken, and perhaps the minister can correct me, but this legislation could be broader than even I realize. It could apply to many crops. If it does not now, eventually it might. It could apply to the small fruit farmer, tree fruits, grain, tobacco or whatever one wished. I wonder if it might not also apply to livestock and poultry. I can recall violent hail storms that have destroyed whole flocks of poultry.

I should like to ask the minister this question and I hope he will answer it. Will this crop insurance scheme apply to the poultry farmer? I believe the minister has heard of the incidents to which I am referring. If a farmer's product is damaged by hail, whether livestock, poultry or anything else, will he be insured under the scheme?

An hon. Member: Carried.

Mr. Gundlock: If I keep on talking, you can carry me out. I have just completed my remarks and I do thank the committee and you, Mr. Chairman, for your indulgence.

Mr. Nasserden: I think this is very timely legislation. We are reminded of the fact that crop insurance legislation has not been in operation too long. It was one of those acts brought in by the former administration led by the Leader of the Opposition. The legislation arose as a result of requests that had been made primarily from the prairie provinces for a crop insurance plan. These requests I believe were the result of the satisfaction of farmers on the prairies with the Prairie Farm Assistance Act which was introduced during the days when Hon. James G. Gardiner was minister of agriculture.

The reinsurance principle is a good principle. At the time the crop insurance measure was introduced in parliament some demands were made for the inclusion of a reinsurance principle in the legislation. I believe it was the feeling of the government that such a move might encourage too swift a movement into crop insurance in those areas in which it might cost the treasury of the country a great deal of money. Now that we have had the operation of this act in selected areas in those provinces that have introduced the legislation, I think all of us in this house are in a position to realize that the reinsurance principle can be safely introduced. It would at the same time give quite an impetus to the whole crop insurance program.

The hon. member for Medicine Hat referred to the timidity with which provincial governments have moved into the crop insurance field. I for one feel that his point is well taken. I believe the provinces, not only the prairie provinces but the other provinces as well, could have moved into this field much more quickly than they have. I know there are large areas in the province of Saskatchewan where the crop insurance plan would be at least equal in benefit to the producers as the Prairie Farm Assistance Act. There may be some selected areas in which this will never be the case, but there are many areas in Saskatchewan where a crop insurance plan would be of at least equal and perhaps even greater benefit to the farmers. I hope that when the bill is brought forward the terms of reinsurance will make this possible.

I should like to correct one impression I thought I gathered from a member at the far end of the room this evening. At the moment crop insurance legislation is all-embracing so far as agricultural products are concerned. Any province can take part in it if it so desires. Of course, it is up to a province to make a decision in that regard. This is one of the things that is sometimes forgotten. Perhaps in some of the provinces in western Canada provincial governments have been willing to move into this field a little more rapidly than governments in other parts of the country because of the experience they have had under P.F.A.A.

I know that all of us are very appreciative of the effects of the P.F.A.A. legislation, and the wonderful work that has been done by those who have been associated with this program from the beginning. Their work has been an inspiration and has led to the realization of a crop insurance program in Canada. I know the people of my area would want me to commend the minister and the government for the introduction of this resolution. We hope that the bill will be as promising as the resolution.

[*Translation*]

Mr. Caouette: Mr. Chairman, this resolution suggests, and I quote order 49 in today's order paper:

That it is expedient to introduce a measure to amend the crop insurance act to authorize the governor in council to enter into agreements for the purpose of establishing a crop reinsurance program—

We are no longer in the field of crop insurance but in that of crop reinsurance.

—to supplement provincial crop insurance plans.

To supplement provincial crop insurance plans, the federal government is introducing a crop reinsurance program which will double the cost of insurance to farmers. The resolution goes on to say:

—to provide for the establishment in the consolidated revenue fund of a special account, to be known as the crop reinsurance fund, to which shall be credited amounts paid by a province under a crop reinsurance agreement and out of which shall be paid amounts required for the payment of reinsurance claims;—

Insuring insurance.

—to authorize advances from time to time from the consolidated revenue fund by way of non-interest bearing loans to the crop reinsurance fund; and to authorize the rebate, to grain growers whose grain is grown on insured lands, of sums paid by way of levy under the Prairie Farm Assistance Act.

This resolution has been introduced by the Minister of Agriculture.

Mr. Chairman, my remarks will be neither long nor elaborate. I merely wish to say

this is another resolution to give further assistance to western agriculture, to prairie farmers.

During the past three sessions no resolution has been introduced to help eastern agriculture by setting up a crop insurance program for the benefit of such people as the apple growers of Quebec, the maple syrup producers, the farmers of eastern Ontario, of Sudbury and other important centres of that province or of Quebec.

Not more than a year ago northwestern Quebec was struck by disaster when not only crops were destroyed but even buildings were blown away by a tornado. It was not a tropical storm but one which came from the north and which swept away barns and stables.

At the time we asked the Minister of Agriculture to assist northwestern farmers in that province. And we were told: We have not been asked by the Quebec provincial government to come in and assist northwestern farmers in both Quebec and Ontario.

And we are always dealing in the house with resolutions to assist in farming and in the prairie provinces and western farmers. It is not detrimental to the other provinces, and I realize that the western farmers need the assistance we provide for them; however, the Minister of Agriculture should realize that in eastern Canada and more specifically in the province of Quebec, such an assistance is also required and that legislation should be passed to give satisfaction to eastern Canada farmers.

At that time, Mr. Chairman, the Minister of Agriculture could say: "I am not the minister of agriculture for western Canada only, but for all Canada."

It is precisely because we have always had to consider resolutions which favoured western Canada, and never resolutions favouring eastern Canada, that we are requesting a minister of agriculture for the east. Indeed, the present Minister of Agriculture does not seem to understand what is going on in eastern Canada.

Mr. Chairman, we are not against insuring the western farmer's insurance, but we are against, for instance, treating the Quebec farmers, the producers of maple syrup, apples, tobacco and other products in the province of Quebec and eastern Canada, New Brunswick, Nova Scotia and Prince Edward Island in any other way than that in which the Minister of Agriculture is now asking us to treat the western farmer.

We are all for crop reinsurance for western farmers. I see that the Minister of Agriculture is chatting away happily with the Minister of Finance; the two of them get along perfectly, they are not listening to me, they do not even hear me, they are chatting away. Look at them, Mr. Chairman, they are chatting away and meanwhile the eastern farmers, those of Lotbinière and Villeneuve counties are wondering what the Minister of Agriculture and the Minister of Finance are planning in order to help them, or whether they are just dithering around with regard to the eastern farmers.

Mr. Drouin: The Argenteuil-Deux-Montagnes electors are of the same opinion as those of Lotbinière and Villeneuve—

Mr. Caouette: The electors of Argenteuil-Deux-Montagnes, as their elected representative points out, fully agree with what I have just said.

Nor would I be surprised if the constituents of the Minister without Portfolio (Mr. Dupuis) were also of the same opinion as I and his colleagues from Lotbinière and Argenteuil-Deux-Montagnes.

Mr. Chairman, we are not asking for special treatment; no, but that is precisely what the Minister of Agriculture is doing at present for western farmers.

We are willing to pass this resolution and to help western farmers but, in return, I would ask the minister to introduce a resolution similar to the one under consideration which seeks to help western farmers when he receives requests from the ridings of Lotbinière and Dorchester, from the apple growers of Shefford, from the riding of St. Jean-Iberville-Napierville, in other words, from any constituency in Canada.

Mr. Chairman, there are other areas than the prairie provinces in Canada. There are other areas which are not prairies, but forest regions where agriculture is really practised, where not only wheat is grown, but where diversified agricultural products are grown. Then the minister would prove his good faith toward agriculture, and this would be beneficial not only to one section of the country, but of the whole of Canada.

On behalf of the farmers of eastern Canada, and particularly on behalf of the Quebec farmers, I wish the Minister of Agriculture would quit laughing and joking with the Minister of Finance (Mr. Gordon) and introduce a similar resolution to assist agriculture in eastern Canada, to assist the producers of maple syrup, our apple, potato and oat grow-

ers, our dairy products, in a word, all of our Canadian producers. Let him bring forward a resolution similar to the one now before us, so that the Canadian parliament may follow the same policy for the whole of Canada and not only for an area, in this case the prairie provinces.

As I said a moment ago, we respect the prairie provinces, but we want our section of the country to be placed on the same footing as the prairie provinces.

Mr. Choquette: Mr. Chairman, I shall be very brief as I do not want to delay the passing of the resolution.

I should like to congratulate the Minister of Agriculture (Mr. Hays) most warmly on the initiative he has taken and to refute some of the remarks made by the hon. member who has just spoken.

In my opinion the government is giving its full attention to the well-being of our Canadian farmers both in the west and in the east.

Needless to say we realize that an emergency can arise in the east, and there is no doubt whatsoever that a special effort is being made to put agriculture back on its feet again in the eastern provinces. As an example, may I just mention the measure which was recently passed in order to subsidize feed grain shipped by truck, and the piece of legislation for increasing farm credit which has been passed during the present session. And, finally, the legislation passed this afternoon enabling farmers to unite and take advantage of a very comforting credit for the purchase of required farm machinery.

Of course all those pieces of legislation reflect the definite intention of the government to help all farmers, whether in eastern or western Canada. But the resolution now under study, in its present form, might leave us somewhat puzzled, in so far as it requires of course the co-operation of the provinces.

The particular case of the province of Quebec is well known: the premier of Quebec, Mr. Lesage, has indicated his intention to withdraw from many joint programs. Consequently, I feel that in introducing this resolution the minister must immediately initiate negotiations with the various provincial authorities, especially the Quebec government, in order to stir up on their part a special interest in this legislation and see to it that Quebec farmers, as well as eastern farmers as a whole, will be adequately covered, by distributing the protection granted to Canadian farmers as fairly as possible.

Mr. Chairman, again I congratulate the minister and I urge him to continue his aggressive policy in the agricultural field. I also urge him to take the necessary steps to initiate without delay negotiations with the Quebec authorities so that the farmers of that province may have all the required protection.

I might mention also that in my riding of Lotbinière, which is mostly rural and typically agricultural, farmers have incurred great losses on many occasions, and had it been possible for them to take advantage of crop insurance it would have been of valuable assistance to them, if not of priceless help.

I suggest therefore that the Quebec authorities be involved as quickly as possible in this essentially Canadian legislation so that it might be applied throughout Canada for the benefit of all farmers, from the west as well as from the east.

Mr. Vincent: Mr. Chairman, I always like to hear the hon. member for Lotbinière (Mr. Choquette) discuss farm matters. Every time I put myself in the place of a farmer and I compare the speeches he now makes in the house with those he made during the last federal election.

Mr. Chairman, when the hon. member says that the present Minister of Agriculture (Mr. Hays) shows dynamism, I must say the farmer thinks it is rather dynamite and is getting ready to protest in no uncertain terms against the inaction of this government.

Indeed, the hon. member is perfectly aware that within a few months there will be a very strong reaction on the part of the farmers of my province, more particularly those of his region and of the lower Quebec districts.

As far as the resolution now before us is concerned, it is a piece of legislation to amend the Crop Insurance Act passed by the house in 1959. That act applies to all provinces in Canada and all can take advantage of it. However, the act must be promulgated by the province desiring to avail itself of its advantages.

Mr. Chairman, what amazes me most in this debate, is that after hearing, during the electoral campaigns of 1962 and 1963, our hon. friends opposite now facing us—

Mr. Caouette: Opposite friends facing us.

Mr. Vincent: Mr. Chairman, I meant to use another expression, but I changed my mind.

Mr. Caouette: Opposite friends facing us.

Mr. Vincent: Mr. Chairman, our friends opposite—

Mr. Caouette: Our opposite friends facing us.

Mr. Vincent: —and perhaps it is the reason why the hon. members for Shefford (Mr. Rondeau) and Villeneuve (Mr. Caouette)—

Mr. Caouette: I have nothing to do with that.

Mr. Vincent: —believed it at one time; as they were repeating throughout the province that this legislation had been passed solely in order to help the western farmers.

Mr. Caouette: That is right.

Mr. Vincent: I am convinced that the hon. member for Bonaventure would not dare repeat here in the house the speech he made on November 23, 1962 or those he made during election campaigns when he promised the Quebec farmers if the Liberal party was returned to office the immediate application of crop insurance legislation in the province of Quebec, saying that the Conservatives did not want to provide this assistance for eastern farmers—and Quebec farmers in particular—and, as usual, that the leader of the Conservative party was against French Canadian people and therefore against the implementation of this legislation in the province of Quebec.

The hon. member for Laval (Mr. Rochon), who I am sure talked about crop insurance in his constituency during the last electoral campaign is now as silent as a fish. Why does he not repeat here in this house what he said about crop insurance in his constituency and elsewhere in the province of Quebec?

And there are others, including the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin)—

Mr. Caouette: Another fish.

Mr. Vincent: —aspiring to the job of minister of agriculture for eastern Canada or of parliamentary secretary, who was concerned with farm questions for eastern Canada. On October 1, 1962, that is two years ago, he asked the then government to put the Crop Insurance Act into force in the province of Quebec. During the election campaign those people promised that as soon as they assumed office they would apply the Crop Insurance Act to the province of Quebec.

Mr. Rondeau: In 20 years from now.

Mr. Vincent: Today we have before us a measure to amend the act. We know that under the constitution the provinces must proclaim this act, although the federal government has no authority to force them to apply the Crop Insurance Act. We know it today, we knew it yesterday, we knew it in 1962. What I fail to understand is that our Liberal friends who certainly knew it in 1962-63 deceived the farmers of the province of Quebec on purpose, by telling them that they would be able to make this act applicable to the province of Quebec through this famous co-operative federalism.

Mr. Rondeau: They have forgotten everything.

Mr. Vincent: I am sure that during the election campaign previous to yesterday's by-election, something was said about crop insurance, but no action has been taken.

The Minister of Agriculture told us that the government had discussed over and over again the present crop insurance program and that the only conclusion they could come to was to implement what had been devised by the Conservative government as an amendment to the legislation, namely to establish a reinsurance program so that the provinces would not run too great a risk of going bankrupt within a few years with their crop insurance program.

Mr. Caouette: They remain silent.

Mr. Vincent: It has also been stated last February, and that was quite a few months ago, that provincial ministers of agriculture had met here in Ottawa with the federal Minister of Agriculture to consider the matter of crop insurance. The Minister of Agriculture has not yet told us if the provinces, apart from the three provinces mentioned, Manitoba, Saskatchewan and Prince Edward Island, intended to participate under the Crop Insurance Act should the amendments now before us—

Mr. Caouette: Reinsurance.

Mr. Vincent: —be carried.

The minister has not told us if the province of Quebec would accept to participate in this federal-provincial program, to this joint plan of crop insurance in order to enable our farmers, who complain of the bad weather and frost, to take advantage of this legislation which has been passed not only for the farmers of western Canada but for all Canadian farmers.

Mr. Rondeau: Would the hon. member allow me a question?

Mr. Vincent: Certainly.

Mr. Rondeau: Could the hon. member explain to us how it happens that a party in acceding to power seems to lose its memory.

Mr. Caouette: It is rather difficult to reply to that.

Mr. Vincent: It is rather difficult to answer this question.

Mr. Caouette: Yes.

Mr. Vincent: But, Mr. Chairman, I do not know what is happening to our friends across the way, but they used to talk much more on the hustings than they now do in the house and they have failed to fulfil their promises.

An hon. Member: We do something.

Mr. Vincent: They do something. That is a term which certainly makes farmers laugh. The hon. member for Lotbinière spoke a moment ago about the achievements of the Liberal party. He mentioned three things.

Mr. Choquette: On a point of order, Mr. Chairman.

I have never spoken of all the achievements. I have only pointed out a few of the recent measures that have been adopted.

We are in the process of building up agriculture. We are elected for four years, constitution grants us five years. Give us time to act. You did nothing for six years.

The Chairman: Might I invite the hon. members and in particular the one who now has the floor to limit his remarks to the resolution presently under study.

Mr. Vincent: Thank you for your assistance, Mr. Chairman. The hon. member for Lotbinière has just said that the Liberal party is in the process of building up an agricultural program, and that we did nothing for six years—

The Chairman: Order. Just a moment ago I asked the hon. member for Nicolet-Yamaska to limit his remarks to the resolution under study, whose object is to amend the Crop Insurance Act.

Mr. Vincent: Mr. Chairman, it is absolutely relevant to this amendment to the Crop Insurance Act enacted in 1959.

Mr. Caouette: Crop reinsurance.

Mr. Vincent: Today, all the new measures in this great program are amendments to acts enacted by a Conservative government. That means that the Conservative government did something in that field and all the Liberals can do is to enlarge the scope of legislation already enacted.

Mr. Chairman, I was saying that last February the ministers of agriculture of Canada got together to consider this legislation with the federal Minister of Agriculture. But even today we do not know which provinces agree to participate in this program.

The minister also tells us, and I am pointing this out, that this legislation will encourage a greater number of provinces to take part in this crop insurance scheme and that this scheme will have a wider scope.

Mr. Chairman, we thoroughly and unreservedly support this amending legislation and we wish that the present federal government may, in the spirit of co-operation it has so often mentioned, succeed in convincing the provinces to participate in this crop insurance scheme so as to ensure the necessary protection to our farmers.

Before concluding, I wish to repeat once more that this legislation does not deal specifically with a group of farmers, and that all the provinces may wish to avail themselves of its advantages. I hope therefore that the province of Quebec will accept it in order to give to its farmers greater protection.

Mr. Caouette: Mr. Chairman, I rise on a point of order. A few moments ago you called to order the hon. member for Nicolet-Yamaska, asking him to limit himself to the bill before the house. According to his interpretation the bill would come within the federal-provincial jurisdiction and the present government is not discharging its duties. Consequently, the government to which the hon. member belonged not so long ago was no more competent, and I believe also that the hon. member for Nicolet-Yamaska was way off course when he was trying to play politics with this bill. If the hon. member has—

The Chairman: Order. I do not think there is any point of order in the words uttered by the hon. member for Villeneuve at this time.

The hon. member who was speaking has concluded his remarks now, and I fail to see how a point of order could be raised in respect of remarks that are concluded.

Mr. Caouette: I thought, Mr. Chairman, that the hon. member had not concluded his remarks. That is why I raised a point of order.

If the hon. member has concluded his remarks I am happy to sit down and to say that he was way off course when he resumed his seat.

Crop Insurance Act

Mr. Vincent: Mr. Chairman, I rise on a question of privilege only to say that for five years now I have not been in the potato field, because I do not grow anymore potatoes.

Mr. Caouette: Do not put yourself in the potato field any more.

[*Text*]

Mr. Southam: Mr. Chairman, I am in favour of this resolution to amend the Crop Insurance Act. I see it is almost ten o'clock so I am not going to take up the time of this committee. Suffice it to say that I had the privilege of being a member of the agriculture committee when the original legislation was introduced in the house in 1959. I felt there was a long standing need for it and I am pleased to say that some members of the present government, who were then in opposition, and who took strong objection to the principle involved, have now seen its applicability and that it is something really worth while for our agricultural economy. Therefore I am pleased to see before us this measure to amend the Crop Insurance Act by way of authorizing the governor in council to enter into agreements with the provinces for the purpose of establishing a crop insurance or reinsurance program.

I might say that the province of Manitoba, spearheaded by Hon. George Hutton on their agriculture committee, was the first province to get this crop insurance activated. I live in an area close to one of the low risk projects and I also live close to one of the higher risk areas further to the south, so I was aware of the benefits to be derived from this particular legislation.

As I say, Mr. Chairman, it is almost ten o'clock and I want to see this legislation put through. Therefore I will not take up any further time; I merely say I am much in favour of seeing this legislation put on the books.

Resolution reported and concurred in.

Mr. Hays thereupon moved for leave to introduce Bill No. C-129, to amend the Crop Insurance Act.

Motion agreed to and bill read the first time.

Mr. Deputy Speaker: When shall the said bill be read a second time?

Some hon. Members: Now.

Mr. Churchill: Next sitting of the house.

FINANCE

AMENDMENT OF ACTS ADMINISTERED IN INSURANCE DEPARTMENT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-123, to amend certain acts administered in the department of insurance.

He said: Mr. Speaker, I am not sure whether my eyesight is as good as it should be, but it seems to me that it is just about ten o'clock. I wonder whether I might call it ten o'clock.

Mr. Deputy Speaker: Is it agreed that the Chair call it ten o'clock?

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask the acting house leader about the business for tomorrow and the rest of the week?

Mr. McIlraith: The next three days' business will be concerned with estimates. Tomorrow it is proposed to call the Department of Justice general administration item for the purpose of permitting a discussion of the matter sought to be raised yesterday by way of a motion to adjourn the house. When that part of the discussion on item 1 is concluded the minister will then ask leave of the committee to rise and report progress.

Then we will call the Department of Trade and Commerce, the remaining items of defence production, citizenship and immigration, public works and the unemployment insurance commission under the Department of Labour. There may be an adjustment tomorrow of the departments I have indicated, as far as Thursday is concerned.

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

HOUSE OF COMMONS

Wednesday, October 7, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. BYRNE—REPORTED STATEMENT BY OPPOSITION LEADER RESPECTING HOUSE PROCEEDINGS

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I rise on a question of privilege affecting all hon. members of this house and you, sir, as the first commoner. On Monday last you, Mr. Speaker, in your usual scholarly and gentlemanly manner ruled on a motion under standing order 26 to adjourn the house to discuss a matter of urgent public importance. The matter in question had to do with the alleged mishandling of the Hal Banks affair by the Department of Justice. In your ruling, Mr. Speaker, you had this to say after quoting a number of precedents—

An hon. Member: Page?

Mr. Byrne: Page 8725.

I am informed today that the estimates of the Minister of Justice will be before the house on Thursday and that, of course, will provide an opportunity for a full discussion of this matter.

In view of the fact that the Prime Minister and the Minister of Justice are away on necessary business of state, with the Prime Minister either in or approaching Charlottetown, it seems to me we could have a much better, fuller and more authoritative discussion on their return. Therefore, with regret, I cannot accede to the request of the right hon. Leader of the Opposition.

Later that day the Leader of the Opposition, speaking to a number of his supporters and admirers in Westboro—

Some hon. Members: Hear, hear.

Mr. Byrne: —female, I might add—had this to say, and I am quoting the right hon. gentleman because I have checked with Peter Jackson, the reporter for the Ottawa *Journal*—

Mr. Grafftey: Get on with it.

Mr. Byrne: He says that in essence these are the words used by the Leader of the Opposition. The right hon. gentleman said the whole affair would be aired in the Commons on Thursday after efforts to bring it to the floor were blocked by the Speaker earlier on Monday. I draw attention, Mr. Speaker, to the word "blocked".

Some hon. Members: Shame.

Mr. Byrne: The Concise Oxford dictionary which we use in the House of Commons defines the word "blocked" as meaning "obstructed". It is my opinion that the Leader of the Opposition owes an apology to this house and to you, Mr. Speaker, for charging that you had obstructed the proceedings of this house.

I therefore move, seconded by my hon. friend from Coast-Capilano (Mr. Davis):

That the house agrees the assertion of the right hon. Leader of the Opposition that the ruling of Mr. Speaker on Monday, October 5, in respect of the motion to adjourn the house under standing order 26 was an obstruction of parliamentary procedure and constitutes a breach of the privileges of the house and that the right hon. Leader of the Opposition be asked to make appropriate amends.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): If the hon. gentleman had communicated with any person who was there —and I repeat "any person who was there" —that person would have said that such a statement was never made, either indirectly or at all. I said that you had ruled, Mr. Speaker. The word "blocked" was never used. I can understand the use of the word "blocked" on the part of the hon. gentleman. In his case "blockhead" is another word which might have been used.

Mr. Byrne: The right hon. gentleman is indulging in his usual abusive tactics. I want to say this. I contacted the writer of this article, who says these were the words used by the right hon. gentleman. If they were not, then I believe the member of the press gallery in question should be brought before the house to explain.

Some hon. Members: Oh, oh.

Mr. Speaker: I am called upon to rule whether or not there is a question of privilege. The incident is one in which the Chair is supposed to be somewhat involved. In view of the explanation given by the right hon. Leader of the Opposition I have no hesitation in coming to the conclusion that no affront

was meant, and that perhaps one should not be too thin skinned.

Some hon. Members: Hear, hear.

MR. LESSARD—C.B.C. INTERVIEWS WITH MEMBERS OF FLAG COMMITTEE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I rise on a question of privilege to denounce something that took place this morning which in my opinion was an insult not only to all the French Canadian members of the house but to all French Canadians in Canada.

During the press conference the special committee on the flag held this morning the journalists and the radio and television commentators were given the opportunity and the privilege of seeing an array of the flags the committee has received, and were able to ask questions to which, of course, they did not get the answers they had hoped for. They also questioned some individual members of the committee.

The C.B.C., a crown corporation, was represented, but its English speaking section only. On several occasions the technicians filmed a close-up of certain members of the committee, that is, four members out of five from the Conservative party, six members out of seven from the Liberal party, but no member from the splinter parties and, particularly, no French Canadian member, that is, five members out of five who sit on that committee.

Some hon. Members: Shame, shame.

Mr. Lessard (Lake St. John): Mr. Speaker, this shows how little respect the C.B.C. has for justice, and it confirms the opinion of several persons who claim that some degree of discrimination exists in that corporation.

Several members of this house voiced their consternation at what is happening at present in the province of Quebec, and concerning those demonstrations against confederation and the way the French Canadians are treated as such.

This instance, by itself, is insignificant. But when added to thousands of other similar instances which are more or less an insult to the French Canadian population of this country, it explains, I believe, why French Canadians are dissatisfied with confederation and the Anglo-Saxon group.

Being financed through public funds, a good deal of which are provided by French Canadians, the C.B.C. has a great responsibility in the present economic and social climate and that crown corporation is not true to its obligations in my opinion, when it fails to foresee circumstances like those of this morning.

I hope the Secretary of State, who answers to this house for that irresponsible organization, will see to it that there is no recurrence of such incidents; otherwise, certain acts will be doubly justified.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I should like to say first of all that I do not agree with the hon. member when he suggests that the C.B.C. is discriminating against French Canadians.

Mr. Caouette: It definitely is.

Mr. Lamontagne: However, I can assure the hon. member that I will inquire about the reasons why representatives of the French network were not present at this morning's interviews.

Mr. Lessard (Lake St. John): That will not correct this morning's blunder, Mr. Speaker.

[*Text*]

PROCEDURE

ELEVENTH, TWELFTH AND THIRTEENTH REPORTS OF SPECIAL COMMITTEE

Mr. Speaker: I have the honour to present in English and in French the eleventh, twelfth and thirteenth reports of the special committee on procedure and organization.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to give notice that on Friday of this week, on behalf of Your Honour's committee, I shall move concurrence in the eleventh report which you have now tabled.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to give notice that on Friday of this week, on behalf of the special committee on procedure and organization, I shall move concurrence in the thirteenth report which Your Honour has just tabled.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DEFENCE CONSTRUCTION LTD. CONTRACTS

Question No. 1,807—**Mr. Caouette:**

1. What is the number and amount of all contracts awarded by Defence Construction (1951)

Limited in each of the past ten years (a) to contractors throughout Canada (b) to contractors in the province of Quebec?

2. How many contractors who were awarded contracts in the last ten years went bankrupt while fulfilling such contracts and what was the amount of the losses incurred by them (a) throughout Canada (b) in the province of Quebec?

[*Translation*]

Hon. C. M. Drury (Minister of Industry): In so far as Defence Construction (1951) Limited is concerned, the answer is as follows:

1. (a) Throughout Canada
April 1 to March 31

Year	No.	Total Value ($000)
1954-55	602	100,749
1955-56	472	136,814
1956-57	394	116,234
1957-58	290	47,491
1958-59	389	92,497
1959-60	334	60,485
1960-61	332	59,237
1961-62	421	99,418
1962-63	252	30,804
1963-64	320	25,601
(b) In the province of Quebec		
1954-55	150	38,108
1955-56	119	62,786
1956-57	97	17,872
1957-58	67	7,755
1958-59	89	31,035
1959-60	82	49,315
1960-61	75	14,163
1961-62	92	11,977
1962-63	42	2,065
1963-64	61	7,299

2. The crown company does not maintain records to supply information in answer to this part of the question.

[*Text*]

NEEPAWA, MAN.—DISPOSITION OF C.N.R. ROUNDHOUSE

Question No. 1,829—**Mr. Knowles:**

1. Has the Canadian National round house at Neepawa, Manitoba, been sold or leased?

2. If so, to whom, on what terms and conditions and to what account has any revenue from such sale or lease been credited?

Hon. J. W. Pickersgill (Minister of Transport): The management of the Canadian National Railways advise as follows:

1. The roundhouse at Neepawa and part of the surrounding land have been sold.

2. The land in question is considered as industrial property and in such cases the railway industrial development and real estate officers seek primarily to interest new railway freight traffic producing industries in locating in these areas, at the same time securing market value by way of consideration or rent in the case of a lease. The sale was made to a Mr. Wm. G. J. Tinkler of Winnipeg. It has not been company practice to disclose terms and conditions of such transactions.

FEDERAL WHARVES, SAINT JOHN RIVER

Question No. 1,847—**Mr. Fairweather:**

1. How many wharves are owned by Canada along the Saint John river and its tributaries?

2. What are the locations of these wharves?

3. How much money has been spent on the maintenance and repair of these wharves in 1963 and 1964?

4. Are these wharves readily adaptable to use by small non-commercial boats?

5. What publicity does the government give to the existence of these facilities in tourist literature?

6. How many of the wharves contain facilities for fuel, water, garbage disposal and other amenities?

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

2. Location of wharves:

Saint John river, 37. Barkers, Bedford, Brown's Flats, Burton, Burton court house, Carpenters, Carter's Point, Colwell's Days landing, Evandale, Fox's, Fredericton, Gagetown, Gerow's, Glenwood, Hampstead, 2—Maugerville, McAlpines, McGowan's, Oak Point, Oromocto, 2—Palmers, public landing, Queenstown, Sand Point, Scovils Point, Taylortown, Upper Gagetown, 2—Upper Maugerville, Westfield, Whites Bluff, Wickham, Williams, Wilmots.

Kennebecasis river, 1. Rothesay.

Belleisle bay, 4. Earle's, Hatfield's Point, Jenkins Cove, Long Point.

Washademoak lake, 8. Akerley's, Cambridge, Cole's island, Heustis landing, Humphrey's, McDonald's Point, Mott's, Webster's.

Grand Lake, 7. Chipman, Douglas harbour, Newcastle, The Range, Waterboro, White's Cove, Young's Cove.

Jemseg river, 2. Lower Jemseg, Upper Jemseg.

Oromocto river, 1. Oromocto (high water).

3. Funds spent on maintenance and repair:

1963-64	Wickham	$1,587.69
	Waterboro	165.80
		$1,753.49
1964-65	Wickham	10.00
	Chipman	600.00
	Websters	70.00
		$ 680.00

4. The following 26 wharves are readily adaptable for use by small non-commercial boats: Barkers, Bedfords, Brown's Flats, Chipman, Colwell's, Day's landing, Douglas harbour, Evandale, Fox's, Fredericton, Gerow's, Maugerville, McGowan's, Oak Point, Oromocto, Public landing, Queenstown, Rothesay, Sand Point, Upper Gagetown, Westfield, White's Bluff, Wickham, Williams, Wilmots, Gagetown.

5. The Canadian government travel bureau does not publicize individual non-commercial wharves in its tourist literature. Inquiries received in the bureau seeking information on such facilities are referred to the provincial tourist bureaux for whatever action is necessary. General publicity is given in tourist literature as to the availability of such facilities but it is not directed to one particular area, the purpose being to make it known that such facilities do exist across Canada.

6. Wharves having facilities: Evandale, water and fuel. Oak Point, fuel.

CARVING OF BLANK STONES, HOUSE OF COMMONS

Question No. 1,884—**Mr. MacLean (Queens):**

Is it planned to complete the carving of the blank stones in the House of Commons chamber before 1967 and, if so, have the designs to be carved been decided on and by whom?

Hon. J. P. Deschatelets (Minister of Public Works): No carving work is planned on these blank stones prior to 1967.

RESEARCH INTO MENTAL RETARDATION

Question No. 1,892—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research on the causes of mental retardation and, if so, at which institutions and under whose direction is such research being carried out?

2. For each of the last five years, what has been the cost to the government of such research?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. Federal assistance under the national health grants in support of research which may provide some information on the causes of mental retardation is being made available as follows:

Dalhousie University, Doctor W. A. Cochrane; McGill University, Doctors T. Rasmussen, F. C. Fraser and G. B. Maughan; Ste. Justine hospital, Montreal, Doctors B. H. Doray and R. A. Ayotte; Montreal children's hospital, Doctor D. V. Bates; University of Western Ontario, Doctors G. H. Valentine, C. Buck and W. C. McMurray; University of Toronto, Doctors H. C. Stancer, D. E. Cannell and W. Kalow; Queen's University, Doctors R. Ginsberg, M. W. Partington and A. M. Bryans; Hospital for sick children, Toronto, Doctors D. M. McLean, P. E. Conen and P. R. Swyer; University of Manitoba, Doctor K. L. Moore; Saskatchewan training school, Doctor W. A. Zaleski; University of Alberta, Doctor D. Gibson; University of British Columbia, Doctors W. C. Gibson, T. L. Perry, J. R. Miller, H. G. Dunn, and S. Segal; Victoria College, Victoria, Doctor W. H. Gaddes.

2. 1959-60, $158,753; 1960-61, $219,548; 1961-62, $241,528; 1962-63, $246,731; 1963-64, $248,374.

*EMPLOYMENT ASSISTANCE FOR RETIRED ARMED FORCES PERSONNEL

Question No. 1,902—**Mrs. Jones:**

Is the government giving consideration to assisting members of the armed forces in finding suitable employment within the civil service upon retirement, especially those with wartime service in Canada only?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, the Department of National Defence does maintain counselling services to assist long service personnel on retirement to make the transition to civilian life. Civilian and civil service opportunities are made known to qualified individuals. Liaison has been established and maintained with the civil service commission and other government departments with the object of informing departments of qualified service personnel available for particular openings. No distinction is drawn regarding wartime service in Canada or abroad within the Department of National Defence.

PSYCHIATRIC RESEARCH GRANTS

Question No. 1,910—**Mr. Orlikow:**

1. What psychiatric research projects being conducted by the universities, governments, and private foundations are being financed by federal health grants for the current year?

2. What is the value of each grant?

3. What is the total value of these grants for mental health research being done in each province?

4. What is the total value of these grants for Canada?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. Under the mental health grant the Department of National Health and Welfare allocated funds in 1964-65 toward the conduct of research into the prevention and treatment of mental illness and for the promotion of mental health in Canada

at various Canadian universities, hospitals and other health agencies.

2. Forty nine research projects are being supported in the present fiscal year. The values of the grants vary from $100 to $102,341.

3. Newfoundland, —; Prince Edward Island, —; Nova Scotia, $10,252; New Brunswick, —; Quebec, $252,663; Ontario, $219,937; Manitoba, $22,830; Saskatchewan, $117,768; Alberta, —; British Columbia, $81,156; Northwest Territories, —; Yukon Territory, —.

4. $704,606.

*INCLUSION OF RAIL SIDING, WHARF CONSTRUCTION, NORTH SYDNEY, N.S.

Question No. 1,980—**Mr. Muir (Cape Breton North and Victoria):**

1. With reference to the tender call, "Tender for terminal development construction of a public wharf, at North Sydney, Nova Scotia", which closes at 3 p.m. September 30, 1964, is a rail siding included in the department's development plan and, if not, was this rail siding included in the plans when drafted initially?

2. Has the Minister of Transport received a communication from Mr. H. Moraze, president and manager of the Flotte Administrate des Iles St. Pierre and Miquelon, indicating in such a communication that a rail siding is necessary on a public wharf at North Sydney, as without this facility it would not be feasible for his government to continue using this port and what reply was given Mr. Moraze?

3. If a rail siding is not included in the present plans for which tenders close on September 30, 1964, will consideration be given immediately to the inclusion of a rail siding on the proposed public wharf for the port of North Sydney?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): 1. A rail siding is not included in the department's development plan, and was not included in the initial draft of plans.

2. Yes. Mr. Moraze was advised that under the existing plans for additional facilities to handle increased services to Newfoundland it would be necessary to relocate the public wharf, and that on the new location it would be difficult and costly to provide a rail connection. It was pointed out that other rail facilities are available in the vicinity.

3. See answer to part 2.

RESUMPTION OF AIRPORT SERVICES, BOUNDARY BAY, B.C.

Question No. 1,985—**Mr. Mather:**

Is consideration being given to resumption of airport facilities and services at Boundary Bay, B.C. airport?

Hon. Lucien Cardin (Associate Minister of National Defence): No.

ILLEGAL IMMIGRANTS ADJUSTING STATUS

Question No. 1,988—**Mr. Mather:**

Since the August announcement of the policy of termination of amnesty respecting illegal entrants to Canada, how many persons have come forward to adjust their status?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): From August 14 to September 25, 1964, 2,787 persons have indicated a desire to make statements in connection with their immigration status.

HARMFUL EFFECTS OF DRUG PHENACETIN

Question No. 1,990—**Mr. Mather:**

If, as reported by the U.S. food and drug administration, the drug phenacetin in excessive doses can be harmful to kidneys, is consideration being given to requiring labelling to that effect?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Yes. Consideration has been given to requiring a warning statement on drugs containing phenacetin and such warning statement will be announced to the trade shortly.

NATIONAL CONFERENCE ON TRAFFIC SAFETY

Question No. 1,997—**Mr. Mather:**

Having in mind the 26 per cent increase in fatal vehicular traffic accidents during the first quarter of 1964, claiming 781 lives, is consideration being given to calling, under federal auspices, a national conference to promote traffic safety?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): The Canadian highway safety council held its 10th annual conference on highway safety in May, 1964. These annual conferences are attended by leaders from insurance companies, oil, rubber and automotive industries. Persons concerned with safety programs in federal, provincial and municipal government departments also participate.

Assessment is made of traffic accident trends, and courses of action are planned. The proceedings are published listing the transactions of the various working committees.

The federal government, through the Department of National Health and Welfare, gives financial support to the Canadian highway safety council. Close liaison is maintained between Department of National Health and Welfare staff and the council. Under these circumstances no consideration is being given at the present time to calling under federal auspices any additional national conference to promote traffic safety.

Questions

FARM CASH INCOME

Question No. 2,006—**Mr. Asselin (Richmond-Wolfe):**

What is the farm cash income, by provinces, for the first six months of 1964, as compared with the same period in 1963, taking into account the revision in income from dairying recently published by the dominion bureau of statistics?

[*Translation*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Farm cash income by provinces, January to June 1963-64[1]

	1963	1964
	(thousand dollars)	
Prince Edward Island	12,967	15,284
Nova Scotia	20,352	19,296
New Brunswick	20,877	22,773
Quebec	206,801	203,409
Ontario	469,596	437,111
Manitoba	111,294	128,309
Saskatchewan	293,117	460,889
Alberta	237,768	295,879
British Columbia	56,016	56,424
Canada[2]	1,428,788	1,639,374

[1] Excludes supplementary payments.
[2] Excludes Newfoundland.

[*Text*]

UNEMPLOYMENT STATISTICS CALCULATIONS

Question No. 2,014—**Mr. Howe (Hamilton South):**

1. Are rates of unemployment calculated routinely for any major Canadian industrial centres and, if so, for which ones?

2. On what basis, and at what intervals, are such calculations made?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. Rates of unemployment are not calculated routinely for any major Canadian industrial centres.

2. Not applicable.

CANADIANS OVER 65 IN URBAN AREAS

Question No. 2,021—**Mr. Coates:**

1. What proportion of Canadians now over 65 years of age are living in areas classified as urban?

2. What has been the percentage change for this group between 1951 and 1961?

3. How many Canadians 65 years of age or over now live in centres of 10,000 or more?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1. In 1961, 69.6 per cent of the total population, 65 years of age and over, lived in urban areas.

2. The proportion of the total population 65 years of age and over living in urban centres increased from 62.6 per cent in 1951 to 69.6 per cent in 1961, an increase in the proportion of 7 percentage points.

3. In 1961, 794,067 persons 65 years of age and over lived in urban centres of 10,000 and over.

PROVINCIAL ALLOCATION OF STUDENT LOAN FUNDS

Question No. 2,024—**Mr. Cantelon:**

1. What were the quotas under the Canada Student Loans Act allocated to each province?

2. How much money has each province used?

[*Translation*]

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. The Minister of Finance stated the provincial quotas in the House of Commons on September 21, 1964, *Hansard*, page 8237.

2. This information is not yet available.

[*Text*]

I.J.C. STUDY OF RICHELIEU RIVER WATERWAY

Question No. 2,030—**Mr. Pilon:**

Is the Secretary of State for External Affairs in a position to state whether the international joint commission has completed the study on the proposed Richelieu river waterway?

[*Translation*]

Hon. Paul Martin (Secretary of State for External Affairs): The international joint commission established the international Champlain waterway board in October, 1962, to conduct the necessary economic and technical studies regarding the proposed Richelieu river waterway and it expects to receive the board's first phase or feasibility report in June, 1965. When it receives that report, the commission will be in a position to consider the nature and timing of its own report to the governments of Canada and the United States.

[*Text*]

DISTRIBUTION OF STUDENT LOAN FUNDS, NEW BRUNSWICK

Question No. 2,033—**Mr. Bell:**

What has been the distribution of funds under the Canada student loans plan in New Brunswick among the different educational institutions?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): This information is not yet available.

FATAL ACCIDENTS IN HOMES

Question No. 2,035—**Mr. Mather:**

1. How many fatal accidents have occurred in Canadian homes in the past five years?

2. What percentage of these involved children?

Hon. Mitchell Sharp (Minister of Trade and Commerce): 1 and 2. Fatal accidents occurring in the home, Canada 1959-63:

	Total (all ages)		Under 1 yr.		1-4 yrs.		5-14 yrs.		Total 0-14 yrs.	
	No.	%	No.	%	No.	%	No.	%	No.	%
1959	2,185	100.0	439	20.1	259	11.9	153	7.0	851	38.9
1960	2,235	100.0	420	18.8	273	12.2	135	6.0	828	37.0
1961	2,338	100.0	453	19.4	261	11.2	139	5.9	853	36.5
1962	2,326	100.0	404	17.4	291	12.5	160	6.9	855	36.8
1963	2,205	100.0	408	18.5	241	10.9	166	7.5	815	37.0

QUESTION PASSED AS ORDER FOR RETURN

PURCHASES OF SUPPLIES FOR POST OFFICES, MEGANTIC CONSTITUENCY, QUE.

Question No. 1,381—**Mr. Langlois:**

1. With reference to post offices in the constituency of Megantic (a) who authorizes purchases such as soap, brooms, towels, etc. (b) for how many years in advance of requirement are such purchases authorized (c) from which supplier or suppliers do the various post offices make their purchases?

2. For the years 1962, 1963 and 1964, what did the purchases made by each of the various post offices amount to and from which supplier or suppliers were these purchases made?

3. Are the post offices allowed to buy items required for the maintenance of buildings, such as soap, brooms, box locks, heating oil, towels, etc., in the municipality where the building is located?

Return tabled.

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, will you please call motion No. 167. I ask that motion No. 168 be allowed to stand.

CALCULATION OF SOCIAL ASSISTANCE PAYMENTS TO ESKIMOS

Motion No. 167—**Mr. Rhéaume:**

That an order of the house do issue for a copy of all studies, reports, memoranda and other documents used by the Department of Northern Affairs and National Resources to determine that food prices throughout the eastern Arctic and northern Quebec had decreased during the past two years for purposes of calculating schedules of social assistance payments to Eskimos.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, some of the information asked for in this motion is clearly privileged, and I have communicated with the hon. member in this regard. I think it has always been accepted by the house that the exchange of information or advice between a minister and his employees is privileged, because it is used for the guidance of the minister. However, I have told the hon. member that so far as the working sheets and the spread sheets which we use in computing the changes in the cost of living are concerned, we would be glad to show him those. I ask him therefore, on that basis, whether he might withdraw the motion.

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, on the understanding that those documents which are not privileged will be shown to me, I am prepared to withdraw the motion.

Order discharged and motion withdrawn.

BUSINESS OF THE HOUSE

WITHDRAWAL OF QUESTION ON ORDER PAPER

Mr. L. E. Cardiff (Huron): Mr. Speaker, I have had question No. 1,453 on the order paper under my name for the last three months. I was informed yesterday by the hon. gentleman that to answer this question would cost the government a great deal of money. The answer to this question was known to me before I put it on the order paper, but I wanted that answer confirmed by the government. If the government does not feel like doing that, then I am willing to drop the question.

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, the hon. gentleman is referring to question No, 1,453, the first part of which reads as follows:

How many tax dollars have been collected each year in each province by the federal government during the past 20 years?

The difficulty in trying to give a precise answer to that question in this: In the case of corporation income tax it is difficult to ascertain from which province the tax has come, so one would not know to which province to allocate particular tax revenues.

Mr. Speaker: Withdrawn.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

HAL BANKS—SUGGESTED APPOINTMENT OF ROYAL COMMISSION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I must first say to the Prime Minister that we are glad to see him back in the house after his participation in the welcoming ceremonies at Charlottetown.

I should now like to ask him whether he has been made aware of what apparently is general information, that when Hal Banks disappeared from Canada he took with him most of the books of account, ledgers and payroll sheets of the S.I.U. If such is a fact, would the Prime Minister now consider setting up a commission to investigate this whole question of the disappearance of this gentleman, Hal Banks?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, may I thank my hon. friend for his kind welcome to me on my return to the house. Perhaps I will not be misunderstood when I say that be it ever so rowdy, there is no place like home.

I am afraid I have no information as to what Mr. Banks may or may not have taken with him when he fled this country rather than go to jail, but I understand there is to be a discussion of this matter during the afternoon. Perhaps consideration of the other point of his question could be reserved until after that discussion.

Mr. Diefenbaker: Would the Prime Minister look into this allegation as to the disappearance of these documents and papers, because I think this would be most material in view of the maritime board taking charge of these things?

Mr. Pearson: Mr. Speaker, I will be glad to look into this matter if it is not cleared up during the discussions.

SUPREME COURT DECISION RESPECTING REPRESENTATION AT HEARINGS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Justice. In view of the decision which has been handed down by the supreme court reversing the decision of a Quebec court relating to the right of persons to be present or represented by counsel at investigations into their financial affairs, I should like to ask the Minister of Justice, in view of the fact this appears to be a very serious infringement of a commonly accepted human liberty, whether he is planning to introduce legislation to counteract the effect of the decision handed down yesterday.

Hon. Guy Favreau (Minister of Justice): In view of the fact that yesterday I was attending a constitutional conference, and that other duties prevented me from scrutinizing the text of the judgment, all I can say today is that I plan to study the judgment and to consider seriously the matter that has been raised in the question.

Mr. Douglas: May I ask a supplementary question. May I ask the minister why the government appealed the decision of the Quebec court, which seemed to be a proper and valid decision, that a person whose financial affairs were being investigated had a right to be present or to be represented by counsel? The initiative apparently came from the federal government, which appealed this decision of the Quebec court.

Mr. Favreau: There are, of course, many factors involved in the answer which have not been brought back to my attention at the moment. I shall take the question as notice and give an answer on Monday.

PROCEDURE RESPECTING COMPLAINTS AGAINST BANKRUPTCY TRUSTEES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I should like to direct a question to the Minister of Justice. Will the minister report to the house on the procedure persons should follow who complain against trustees in bankruptcy?

Mr. Speaker: Order. Surely this is a question for the order paper.

CANADIAN CONSTITUTION

REQUEST FOR REPORT ON MEETINGS WITH ATTORNEYS GENERAL

On the orders of the day:

Mr. R. N. Thompson (Red Deer): My question is directed to the Minister of Justice. In view of the fact the meetings with the attorneys general of the provinces have been concluded and that there are numerous newspaper reports commenting on the results of the conference, does the Minister of Justice have a statement for the house concerning the decisions that were reached about the repatriation of the constitution?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, the conference of federal and provincial attorneys general is not over. We sat during Monday, October 5 and half of yesterday. The conference adjourned at noon yesterday until Tuesday, October 13, the day preceding the meeting of the Prime Minister and the premiers to consider the report which we are to submit to them.

I must say that a communiqué was issued under the responsibility of, and with the agreement of, the attorneys general. This communiqué reports, and the house may take my sincere word for it, that great progress was made. As proof of their hope to conclude the matter successfully next Tuesday, all the attorneys general, in spite of the distance some of them reside from Ottawa, have agreed to come back on Tuesday to conclude the matter.

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I should like to ask a supplementary question.

With reference to the minister's statement, and more specifically to the press release which followed the conference, could the minister tell us what proposals the government intends to submit with a view to clarifying paragraph 1 of section 91, as mentioned in the press release?

Mr. Favreau: Mr. Speaker, all the participants in the conference—as it will readily be understood—have agreed that it would not be in the interest of the discussions to divulge where these stand, seeing we are in the very middle of the conference which will close next Tuesday.

Mr. Martineau: A supplementary question, Mr. Speaker.

Has an agreement been reached on the necessity of clarifying or modifying this clause in the constitution?

Mr. Favreau: Mr. Speaker, I think that if my hon. friend reads the press release he will find that it is self-explanatory and, in this connection, I must say that we are in the process of discussing this aspect of the matter.

[*Text*]

NATIONAL CAPITAL

ENGLISH AND FRENCH REPRESENTATION ON MUNICIPAL COUNCIL

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Secretary of State, the minister in charge of the inquiry on bilingualism and biculturalism.

Could he indicate whether he will consider the suggestion made in Toronto yesterday by the hon. member for Three Rivers (Mr. Balcer), with the approval of his leader, with a view to converting Ottawa and the federal district into a region where both nations would be on an equal footing and administered by a council with equal French and English representation?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, the political organization or reorganization of the national capital and the federal district does not come under my jurisdiction.

[*Text*]

PUBLIC SERVICE

PRINTING BUREAU, OTTAWA—ENGLISH REPLY TO FRENCH TELEPHONE INQUIRIES

On the orders of the day:

[*Translation*]

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

Is he in a position to give us some explanation concerning the civil servant of the national printing bureau who, when a telephone call comes from French Canadians, answers in saying: "Another fanatic who wants to speak French"?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, following the question asked by the hon. member last week, inquiries were made at the queen's printer's office concerning the civil servant of the national printing bureau, Mr. Deavey, who, answering the telephone, was said to have made the following remark: "Another fanatic wants to speak French."

Mr. Deavey spoke that way in front of his fellow workers in the distribution division—the majority of them are French speaking—with whom he enjoys a most friendly relationship. His remark was made in fun, in all good faith, without any desire to offend anyone, and he had no idea that he was heard by the lady at the other end of the phone.

I would like also to point out that Mr. Deavey is of French and English descent, that he understands French well, although he is not at all fluent in that language, and that he regrets what he said and the results of that incident.

[*Text*]

AGRICULTURE

TURKEYS—SUGGESTED TARIFF INCREASE ON IMPORTS FROM U.S.

On the orders of the day:

Mr. L. E. Cardiff (Huron): I should like to direct a question to the Minister of Agriculture. Will the minister explain to the house a statement he made at the turkey growers' convention in Winnipeg about a month ago? The statement was that no importations of turkeys had been made into Canada during the previous two weeks. This was before the convention. Since the convention live turkeys from the United States have been coming into Canada to the extent of about a third of a million pounds. I suggest to the minister that if he wants to protect the Canadian turkey growers he had better step up the tariff on live turkeys by 3 or 4 cents a pound. This would save the Canadian turkey growers from going broke.

Hon. Harry W. Hays (Minister of Agriculture): The hon. member has made a statement, and it is inaccurate at that. I have explained this situation many times. I said that turkey imports into Canada had practically dried up. As a matter of fact, the day I was in Winnipeg there were some large turkeys coming into one plant. This is one of the few plants in Canada into which they are coming. Nevertheless, there is protection of 7½ cents to 8 cents a pound and we feel, in the light of other things that are going back and forth between the United States and Canada, this is ample protection. I repeat that we are watching this situation closely and there is no dumping of turkeys on the Canadian market.

Mr. Cardiff: May I ask a supplementary question. I should like to suggest to the minister he had better get himself—

Mr. Speaker: Order, please.

[*Later:*]

Mr. C. O. Cooper (Rosetown-Biggar): A supplementary question to the question asked by the hon. member for Huron. This is the statement the hon. member said he would hand to us as soon as he got it. It reads—and I quote—

> The next move is up to Mr. Hays. Also he has not as yet explained concerning his statement at the Winnipeg convention that the situation was levelling off with no imports in the previous two weeks.

[Mr. Lamontagne.]

Mr. Speaker: Order. What is the question, please?

Mr. Cooper: Thank you, sir.

> The total that has come in since September 1 according to reports of his own department now add up to nearly one third of a million pounds.

My question is this. They have come in at the rate of one third of a million pounds since September 1. These are the figures from the hon. gentleman's own department.

An hon. Member: Why?

Mr. Cooper: Why? That is my point. Since September 1 these imports have been coming in. Does the minister call this a levelling off period?

Mr. Hays: I should like to take this question as notice. I would be glad to give the hon. member all the details as far as turkey imports are concerned. I have not heard from the association. As a matter of fact I have written three letters asking them to forward their suggestions, but as yet no reply has passed over my desk.

FISHERIES

REPORT OF INTERDEPARTMENTAL COMMITTEE ON LANDING OF FISH BY FOREIGN FLEETS

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): I should like to direct a question to the Minister of Fisheries. In view of the widespread concern evidenced by all member firms of the fisheries council of Canada, including the members of the Nova Scotia fish packers association, over the proposed relaxation of existing laws which would permit the landing of fish by foreign vessels in Canadian ports, will the minister tell the house when we may expect the report of the interdepartmental committee on foreign fish landings, which I understand has been set up to deal with this problem?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as the hon. member knows, the landing of fish from foreign trawlers is prohibited under the Fisheries Act, but following representations received in recent months from foreign interests for permission to land and process fish on Canadian soil, an interdepartmental committee was asked to study the effect such action could have on the fishing industry in general. I am asking the committee to report as soon as possible.

POWER

ONTARIO—APPLICATION RESPECTING PROPOSED NUCLEAR PLANT

On the orders of the day:

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, yesterday the hon. member for Ontario asked me a question related to an application made by Ontario hydro to the atomic energy control board. I informed him that an application had not been received as of the date he suggested, but I find my information is not entirely precise. An application was received by the board, in the absence of the chairman, on September 8 and is now under consideration.

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to thank the minister for saying this, and I hope a decision will not be delayed.

INDIAN AFFAIRS

SUPREME COURT DECISION RESPECTING HUNTING AND FISHING RIGHTS

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, my question is directed to the Prime Minister and stems from the decision of the Supreme Court of Canada yesterday, to the effect that the treaty rights granted the Indian people could be upset by the provisions of the Migratory Birds Convention Act. What legislative steps do he and the government propose to take immediately to restore the traditional, constitutional right of the Indian people to hunt, trap and fish on unoccupied crown land?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the judgment is being examined at present, and after that examination it will be possible to announce what steps, if any, can be taken.

Mr. Rhéaume: Can the Prime Minister advise the house what steps he took in relation to the commitment he made on May 31, 1963, that the royal proclamation of 1763 and its provisions for the Indian people would be maintained?

Mr. Pearson: I would have to look into the matter, Mr. Speaker. I am not familiar with all the details.

IMMIGRATION

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wish to ask the Minister of Citizenship and Immigration whether he has completed his investigation into the I.T.U. matter in Toronto, particularly with reference to people from outside Canada who are working for the papers; and, if he has completed his investigation, can the house have a report?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I hope I will have these documents tomorrow in order to report to the hon. member in this regard.

[*Text*]

COMBINES

REPORTED SPEECH BY JUSTICE MINISTER RESPECTING CONTROL

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Justice.

Following his speech in Montebello, would he tell the house which new steps he intends to recommend to the government to control the monopolistic or restrictive practices, as he suggested in his speech?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, it is obvious that if I had presented those specific views through an amendment to the restrictive trade practices legislation, that would have represented the government's views. But I can assure my hon. friend that what I did was not to announce measures, but to set out principles I always supported in the past and which are very dear to me. One of those principles consists in determining, in the field of control, whether a wider use, to put it that way, could not be made of the federal jurisdiction in the field of trade and commerce.

It is one of the things I am now considering.

I also mentioned the possibility of considering whether in future a more frequent use could not be made of measures like injunctions, which are not necessarily related to the text, in criminal matters against some people, which would perhaps make it easier to check those practices.

[*Text*]

Mr. H. Russell MacEwan (Pictou): As a supplementary question, would the Minister of Justice advise whether he is studying the possibility of amending section 34 of the act and the setting up of an advisory council, as sought by the hon. member for Ontario in the house, I believe on September 15?

Mr. Favreau: Mr. Speaker, in view of the studies which have been made under section 34, and in view of the material at my disposal, I do not believe it would be necessary to appoint a committee of inquiry, although internally the matter has been the object of a relatively long study by officials of my department and other officials of government, and I shall complete my own consideration of the matter very shortly.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask the Minister of Justice whether his speech at Montebello can be taken to be in agreement with what is said to be the commonly held view of the officials of the Department of Justice, that the Combines Investigation Act is no longer of any value in dealing with problems of monopolies and mergers, and that some other type of legislation is necessary? If that is so, does the minister intend to introduce some type of legislation next session, if not this session?

Mr. Favreau: Mr. Speaker, I am sure my hon. friend will agree that it would be improper for me to refer to the views of the officials of the department on such a matter that may be concerned with policy, but these are definitely my own views, and in the light of what I have said I intend to ascertain what might be done in the direction I have indicated.

Mr. Eldon M. Woolliams (Bow River): Because there seems to be some confusion on this matter I would like to ask the minister if it is not a fact that it is not a question of any distinction between the jurisdictions of the federal government and the provincial governments, but rather the interpretation by the Supreme Court of Canada of the words "virtually eliminating all competition"?

Mr. Favreau: No, Mr. Speaker. What I was referring to was the possibility of not necessarily having to deal with restrictive practices, or at least some of them, as being criminal offences, and the possibility of ascertaining to what extent one may legislate under the heading of trade and commerce to establish procedures extending to a broader scope of practices which, in certain cases, would not brand as criminals those engaged in practices which may be found to be restrictive.

[*Translation*]

Mr. Martineau: Mr. Speaker, I should like to ask a supplementary question. In view of the fact that the minister referred to his own opinions, can he tell us whether his own opinions are not in accord with the official views of certain other people in his department?

[*Text*]

Mr. Speaker: This question is surely not in order.

INDUSTRY

QUEBEC—DISCUSSIONS RESPECTING ESTABLISHMENT OF AUTOMOBILE INDUSTRIES

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, before directing my question to the right hon. Prime Minister, I hope you will allow me to point out to the house that I received a reply to question 1,807 from the Minister of Industry and Minister of Defence Production. This answer is in excellent French, and even if an English keyboard typewriter was used, the writer was tactful enough to mark with a pen accents on the vowels requiring them.

I wish to congratulate the minister for the thoughtfulness shown with regard to the questions we are directing to him.

Here is the question I wish to direct to the Prime Minister.

Has any agreement been concluded between the Canadian government and that of the province of Quebec so as to facilitate the establishment in the province of Quebec of assembling plants for the Peugeot and Renault cars?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I am not familiar with that matter but I shall look into it right away, Mr. Speaker.

FINANCE

QUEBEC—REQUEST FOR TAX EXEMPTION FOR NEW PAPER MILL

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of Industry.

Could the minister tell us whether he has received from the Dominion Tar Company a request for tax exemption, within the development program for designated areas, for the purpose of building a pulp and paper plant in Chapleau county? Could he also tell us whether such a request was accepted?

[*Text*]

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

INQUIRY AS TO AMENDMENTS TO BANK ACT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Témiscamingue): I have a question for the Minister of Finance. I wonder if the hon. gentleman would tell the house whether he intends to bring forward shortly legislation concerning amendments to the Bank Act, and if such legislation will contain a change in the ceiling on interest rates as recommended by the royal commission.

Hon. Walter L. Gordon (Minister of Finance): I am hoping the government will be ready to bring in legislation amending the Bank Act and that this measure will receive the prompt attention of the house. It would be inappropriate for me to give advance information as to what that legislation might contain.

POST OFFICE DEPARTMENT

FORT WILLIAM, ONT.—PROTEST RESPECTING SURVEILLANCE OF EMPLOYEES

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): I have a question for the Postmaster General. I wonder whether the Postmaster General would investigate a report in today's *Globe and Mail* that surveillance peepholes are being built into the men's washrooms of the new federal post office at Fort William. If the report is correct—and I hope it is not—will the minister issue immediate instructions to halt such a manifest invasion of a citizen's right of privacy?

Hon. J. R. Nicholson (Postmaster General): In the first place, in departmental parlance these so-called peepholes are referred to as "observation niches or posts". I may admit that we have had communications with regard to these observation posts not only in Fort William but in one or two other cities. Their use in accordance with a practice which has been followed for some considerable time, and which is considered necessary by postal administration not only in Canada but in other countries.

An hon. Member: A shocking thing.

Mr. Nicholson: If the hon. member will come to my office I will be glad to give him further information.

Mr. Fairweather: I don't dare go anywhere any more; you may be watching me.

TRADE

WHEAT—POSSIBLE SALES TO EASTERN EUROPEAN COUNTRIES

On the orders of the day:

Mr. Lawrence Watson (Assiniboia): I wish to direct a question to the Minister of Trade and Commerce based on reports by the London *Observer* service of another year of poor crops in eastern Europe. I wonder whether the minister would care to comment on a report in this morning's *Globe and Mail* that all the eastern European countries except Rumania would soon be looking for further imports of flour and grain.

Can the minister tell us exactly what negotiations are going on with countries in that area with a view to extending sales of Canadian wheat this year?

Hon. Mitchell Sharp (Minister of Trade and Commerce): As I reported to the house earlier this session, we have already sold to those countries more than we had expected them to buy during the early part of the period covered by their agreements. We are in continuous contact with those countries through the Canadian wheat board which is, of course, responsible for the sales, and I am satisfied that if these reports are correct—and I hope they are, from the point of view of Canadian wheat prospects—we shall get our full share of the business that is going.

CANADIAN BROADCASTING CORPORATION

COVERAGE OF VISIT TO OTTAWA BY THE QUEEN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I direct this question to the Secretary of State, and ask him whether his attention has been drawn to an article appearing in the *Globe and Mail* this morning under the heading "CTV Scores Beat". It has to do with the broadcast of Her Majesty's arrival in Ottawa next Sunday and it states,

among other things, that the C.B.C. has shown a curious tendency to downgrade the Queen's activities.

Would the minister bring to the attention of the C.B.C. that because the corporation is not broadcasting the Queen's visit "live" on Sunday evening upon her arrival, the only people who will be able to see what is going on will be the 75 per cent who could use the private CTV facilities? Would the minister also bring to the attention of the C.B.C. the fact that Canadians everywhere want to see this visit of the Queen to Canada's capital, and there is no reason why there should not be a live showing rather than a postponed production?

Some hon. Members: Hear, hear.

Hon. Maurice Lamontagne (Secretary of State): I have not seen the article in question, but I will be pleased to convey to the C.B.C. the views of the right hon. gentleman.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Gérard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of National Revenue.

Can he give the house the assurance that at the next federal-provincial conference on taxation, scheduled to take place on October 14 and 15 next, consideration will be given to means of cutting taxes instead of studying ways to increase them?

[*Text*]

Mr. Speaker: I am not certain whether the hon. member is serious. In any event, perhaps he would put his question on the order paper.

SUPPLY

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

DEPARTMENT OF JUSTICE

Legal and other services—

1. Administration including the office of the superintendent of bankruptcy, grants and contributions as detailed in the estimates, gratuities to the widows or other dependants of judges who die while in office and authority to make recoverable advances for the administration of justice on behalf of the governments of the Northwest Territories and the Yukon Territory, $2,109,600.

Hon. Guy Favreau (Minister of Justice): The estimates of my department are being called today as a result of a procedure which was adopted in this chamber on Monday, October 5, when the right hon. Leader of the Opposition moved the adjournment of the house for the purpose of discussing a matter which, he alleged, was of urgent national interest, namely the way in which the present government has dealt with one Hal Banks.

I cannot refrain from making a special reference to the fact that such a motion should have been made on that particular date. It would be a refusal of duty on my part not to make a special note of the courtesy and the admirable sense of courage shown on that day by the right hon. Leader of the Opposition.

Mr. Lambert: Oh, shame.

Mr. Favreau: There were three members of the government who were likely to have to answer the very serious accusations which he made and intended to press on that day. These were the Prime Minister of Canada, the Minister of Labour and myself, in my capacity as Minister of Justice. It is interesting to note that this particular day was chosen when the Prime Minister was attending the ceremonies in connection with the arrival of the Queen in Charlottetown—

Mr. Lambert: Do not be so cowardly.

Mr. Woolliams: Imputing motives.

Mr. Favreau: I am just stating facts; I am not imputing motives.

Some hon. Members: Hear, hear.

Mr. Favreau: This was also a day when the Minister of Labour was attending the official opening of the British Columbia institute of technology and when I, for that day and the beginning of the following day, was chairing the conference of attorneys general sitting in the west block to try to arrive at a formula to provide for the amendment in Canada of the constitution of Canada.

Mr. Lambert: You want to see what your pals did in the past.

Mr. Favreau: Let not the right hon. gentleman state that the matter in his opinion was urgent on that particular day, because on the preceding Friday he had gone a long way toward trying to make a great deal about the fact that a Toronto reporter was alleged to have spoken to Banks on a yacht in New York harbour. I wish to note this because I do not believe it would have been fair to press any of the accusations the right hon. Leader of the Opposition made on that day, at a time when it was known that neither the Prime Minister, nor the Minister of

Labour nor myself would be here to defend either ourselves, our respective departments or officers.

An hon. Member: Or Banks.

Mr. Favreau: Four charges or accusations were made against the government with relation to the matter of Hal Banks, to whom the right hon. gentleman once referred as being a demagogue in Canada. The first one—and this is one which I think ought never to have been made or entertained by a man holding so high an office as that of leader of the official opposition and who was once the prime minister of this country—was a direct accusation, without verification, against a minister of the crown to the effect that he had misled the house in making a statement. The statement referred to was that made and repeated by me, that my department or the officials under my jurisdiction had in fact requested the F.B.I. to investigate the whereabouts of Hal Banks and to report to the R.C.M.P.

I must say, Mr. Chairman, that I have asked myself for some moments whether it was even dignified on my part to try to give the house facts and dates in support of the denial of such an accusation. But I think that because the matter has been in the papers and has reached the news it is important that this house should ascertain when the information was requested. First I must say that on August 18, 1964, the R.C.M.P. contacted the liaison officer of the F.B.I. by telephone requesting the information which I told the house later had been requested. On the same date—

Mr. Diefenbaker: What was that information?

Mr. Favreau: Information as to the whereabouts of Mr. Banks.

Mr. Herridge: A reporter found him.

Some hon. Members: Oh, oh.

Mr. Favreau: On August 18 a letter was written to the F.B.I. liaison officer by the R.C.M.P. in Ottawa. On August 25 a second letter to the same effect was written, seeking information from the F.B.I. On August 28 the F.B.I., through its liaison officer, acknowledged the last letter. Let it not be said, Mr. Chairman, that the R.C.M.P. could have gone to the United States and itself pursued there an investigation. This, as everybody knows, in accordance with international practice, would be absolutely unthinkable and unacceptable. The investigations which the F.B.I. intends to pursue in Canada are pursued by Canadian authorities or police, usually through the liaison officers of these police forces. There are in that way exchanges of information going on throughout the year.

Mr. Diefenbaker: Mr. Chairman, will the minister, having referred to these two letters of August 18 and 25, table the letters so we may see what he asked for?

Mr. Favreau: Well, Mr. Chairman, that is about the most appropriate question that could have been put. It is much more appropriate than were the accusations of the right hon. gentleman.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Is his conscience bothering the minister?

Som hon. Members: How about you?

Mr. Macdonald: You don't have a conscience.

Mr. Woolliams: Mr. Chairman, I wonder whether the minister would answer one question at this stage.

Some hon. Members: Sit down.

The Chairman: Order, please.

Mr. Woolliams: I do not think the minister heard me, Mr. Chairman. Would the minister answer one question now?

Mr. Favreau: We will see what the question is.

Mr. Woolliams: This question is very simple. I have been listening to the minister with great interest but would he explain at this stage why the recognizance bond did not carry a term as a condition, taking all the circumstances into account, to the effect that Banks should stay within the jurisdiction?

Mr. Favreau: Mr. Chairman, the hon. gentleman may be assured that if he is patient with me I will get to that point, not right away but in the course of my remarks, which I intend to make in the order I have planned.

I have here a letter dated October 5, 1964 from the deputy commissioner of the R.C.M.P., Mr. J. Lemieux, in which all the information is given and in which he refers to the correspondence to which I have made reference. I ask for permission to table that letter which is addressed to me.

The second—

Mr. Diefenbaker: Before the minister goes on, may I say that the letters I want to see are those of August 18 and 25. What do those letters contain?

Mr. Macdonald: Respect the rules.

Mr. Favreau: If the right hon. gentleman is ready to state that he does not believe the report which has been made to me by the R.C.M. Police and in this respect insists on production of the correspondence sent and received by the R.C.M. Police—although he knows it is against the practice of the R.C.M.P. to produce copies of any correspondence—he can take the responsibility therefor and I shall make the necessary inquiry to seek their agreement for production of such copies.

Mr. Diefenbaker: Mr. Chairman, let it be made clear immediately.

Some hon. Members: Order.

Mr. Diefenbaker: The minister has referred—

The Chairman: Order, please.

Mr. Diefenbaker: I rise on a question of privilege.

The Chairman: Order. The Leader of the Opposition on a question of privilege.

Mr. Diefenbaker: The minister said that the two letters to which I referred were sent. He now endeavours to raise an alibi and hide behind the facts.

Some hon. Members: Order.

Mr. Diefenbaker: Having referred to these letters the minister does not want to produce them, for reasons which naturally are very appealing. Why did the minister refer to these letters? He now says he does not want to produce them.

Mr. Favreau: I told the right hon. gentleman that, knowing what is the practice, if he wanted to take upon himself the responsibility for stating that he does not rely on the report which has been made to me by the R.C.M.P. deputy commissioner which I have just tabled and which describes the correspondence, and if he wishes to have copies of the actual correspondence tabled, I would attempt to obtain copies and file them, but under his own responsibility.

Mr. Diefenbaker: The minister has referred to these letters. He acted on his own responsibility and we want to see what those letters contain.

Some hon. Members: Hear, hear.

[Mr. Favreau.]

Mr. Diefenbaker: We will not have this sort of evasion.

Mr. Favreau: Mr. Chairman, in view of all these interruptions I should like to say I wish I could use with as much authority as he often does certain of the expressions which the right hon. gentleman uses to make fellow members sit down, so that I could continue my own speech.

The second allegation which was made by the right hon. gentleman and which he insisted ought to be discussed even in the absence of the appropriate minister was to the effect that the government made a deal with Banks to allow him to leave the country smoothly thus, in his words, flouting the course of justice. This, of course, relates and could only relate to the way in which my department under my responsibility has dealt with the Banks matter following the time of his conviction, and from the moment he appealed his conviction for conspiracy in relation to the Walsh beating. I do not think anyone believes that I have to deny such imputations so that everyone will know and be confident that they do not conform to reality and are completely contrary to the truth and to the facts. However, I suppose that for the purpose of the record I owe it to this government and to this house to repeat for the purpose of the right hon. gentleman—

Mr. Diefenbaker: For the purpose of answering the labour leader who said that about you.

Mr. Macdonald: Order. Why do you not observe the rules?

Mr. Favreau: —for the purpose of the right hon. gentleman matters which I have already put before the house which do not seem to have been well understood and therefore need to be repeated.

When Banks was convicted an application was made for his release on bail. Under section 587 of the Criminal Code he applied through his counsel to the chief justice of the court of appeals of the province of Quebec seeking the fixing of bail in his case. Counsel was instructed, and the instructions which were given to counsel representing the federal government and the counsel representing the attorney general of the province of Quebec were to oppose completely the fixing of bail so that Banks would remain within the jurisdiction of the court and attend the hearing of his appeal.

Surely, Mr. Chairman, it would be out of proportion with reality and completely illogi-

cal, once the government had attempted to take the necessary steps so that Banks might even be forced to remain in jail until his appeal had been disposed of, to say or to imply that there has been some kind of a shady deal or arrangement between the Department of Justice—because that could be the only possible department—and Banks, so as to make sure that he could leave the country very discreetly and thus flout, as has been suggested, the course of justice. I say that the very first step taken by the government of opposing any bail in the case of Banks pending his appeal completely denies any accusation or suggestion or innuendo to the effect that he would have been either pampered or assisted in leaving the jurisdiction of the courts of this country.

Mr. Diefenbaker: Mr. Chairman, would the minister allow a question?

Mr. Favreau: I am sorry, but I prefer that you ask your questions later.

Mr. Diefenbaker: This is just a simple little question. Why did counsel for the crown not advise the chief justice—

The Chairman: Order, please.

Mr. Diefenbaker: Why did counsel not advise the chief justice that this was not an extraditable offence?

The Chairman: Order.

Mr. Favreau: The hon. gentleman will have ample opportunity to make more of his gratuitous allegations later on.

Mr. Diefenbaker: Why did you not inform the court of appeal that it was not an extraditable offence?

Mr. Favreau: The attitude taken by my department and by the department of the attorney general of Quebec was taken not only in an attempt to act passively, but to make sure to maintain Banks within the confines of the court's jurisdiction. Counsel was instructed to request that if the court felt as a matter of justice it ought to fix a bail bond, the amount of the bond ought not to be less than $50,000. Again the government has acted towards Hal Banks in a way which is directly opposite to any so-called co-operation, pampering, or assistance in his flouting the course of justice in this country.

What is more serious than the accusations made by the right hon. gentleman against any member of parliament or of government is the implication on the part of one whose profession is the law that one of the greatest judges in this country has, in disposing of the matter of bail in the case of Banks, acted in a way which was contrary to the interests of this country. I deny that completely.

Mr. Diefenbaker: Mr. Chairman, I rise on a question of privilege, and throw that accusation back into the teeth of the hon. gentleman. What I said was this. This government and its counsel failed to inform that eminent judge of the fact that the charge of conspiracy was not an extraditable charge. A judge must accept what counsel places before him. I made no such allegation against the chief justice of Quebec and I want to make that very clear. This is simply a smokescreen on the part of the government to conceal its failure to give adequate information to the chief justice.

The Chairman: Order. Those remarks may well be a clarification of a statement made previously by the right hon. Leader of the Opposition, but I do not think there is any question of privilege.

Mr. Diefenbaker: I refer to an erroneous statement about an allegation made against the chief justice.

Mr. Favreau: Mr. Chairman, as a new member of parliament I have a lot to learn from the right hon. gentleman about the method of inserting remarks in the record, contrary to the rule, during the course of a statement being made by another member. I did not precipitate this discussion, Mr. Chairman, but I have attempted to make the situation clear.

The question of fixing bail under the Criminal Code and most lawyers are aware of this fact, is essentially one for the court to decide in its discretion. It is all very well for the right hon. gentleman, by hindsight, to say that not only should we have objected to any bail or bond being posted, or insisted on a very high bail, but that we should also have instructed counsel very specifically to inform the chief justice of the province that the offences were not extraditable, and that if the chief justice dared to fix bail he would have to share in the responsibility for Mr. Banks fleeing the country.

Mr. Rhéaume: You allowed him to get away. You answer that.

Mr. Favreau: You would not like this answer twice.

I hold great respect for the chief justice of my province, who was appointed by the right hon. Leader of the Opposition when he was in office, and who should perhaps be congratulated in that regard. On the occasion of that appointment I remember very clearly

writing to one of my predecessors, Hon. Davie Fulton, indicating that normally one would congratulate the appointee, but that in this regard, as a member of the bar of Quebec, I felt I should extend congratulations to the minister of justice.

It is that judge, Mr. Justice Tremblay, whose judgment is being questioned, and whose exercise of discretion is put into question by the hon. gentleman. That judge, when looking at the offences charged, knew just as well as anyone else in the courtroom that they were not extraditable. Surely he exercised his discretion in the light of all the circumstances. I wish to repeat that this decision, rendered in those circumstances was a decision which could be expected as being fair on the part of the judge who made that decision on that particular day.

Mr. Martineau: Mr. Chairman, may I ask the minister a question?

Mr. Favreau: I would much prefer you to do so at the end of my statement.

Mr. Martineau: My question relates to what the minister has just said.

Some hon. Members: Sit down.

Mr. Favreau: Mr. Chairman, it is not only the question in relation to the posting of bond in the case of Hal Banks which is of such great interest to the right hon. Leader of the Opposition. The right hon. Leader of the Opposition referred specifically to the fact that in the bond there was no prohibition which would have prevented Hal Banks from leaving the country pending the proceedings. The hon. gentleman's statement would not really be believable if it were not written in *Hansard* at page 6000. He referred to the contents of the bond posted by Banks, without of course having taken the very ordinary precaution of looking into the matter. Sometimes when you look too far you are prevented from making a certain assertion because at that moment you know the allegation is wrong.

Mr. Diefenbaker: The hon. gentleman looked far enough when he charged him with a non-extraditable offence.

The Chairman: Order; I have to interrupt the minister because his time has expired.

Some hon. Members: No, no.

The Chairman: Is it agreed that he should continue?

Some hon. Members: Agreed.

[Mr. Favreau.]

Mr. Favreau: I thank hon. gentlemen for allowing me to continue and I will not abuse the privilege. I may have another chance to rise at the end of the questions. The right hon. gentleman said that the alleged clause relating to preventing Banks from leaving the country was removed from the ordinary bond form. I showed the bond form, which I think has now been tabled, to the right hon. gentleman afterwards. I challenge anyone to tell me that there has been the slightest deletion from that bond form, let alone the deletion of a condition which would have assisted Banks in leaving the country. Just as the bond form, which we have been accused of tampering with has not in fact been tampered with, in the same manner the so-called deal which we are alleged to have made with Banks not only has not been made but it could not be made. The reference to it is contrary to all the facts as they exist. It could not possibly have been made in the light of these facts and I say that if it exists, then it exists in only one place, and that is in the imagination of the right hon. gentleman.

Mr. Nielsen: Mr. Chairman—

The Chairman: Order, please.

Mr. Martineau: May I ask a question of the minister? He said he would answer questions at the end of his statement. Is it not the duty of crown counsel to make all the necessary representations so that the chief justice, no matter what his juridical science may be, can determine whether or not a bail bond should be granted, what the amount of it should be, and so on? Should the judge not be acquainted with all the consequences of bail, particularly in this case of Banks?

Mr. Favreau: My hon. friend has just stated the normal functions of the normal crown attorney. I am not going to ask him a question, but I am quite sure that throughout his life as a crown attorney, and he was a very good crown attorney, he never had occasion to tell a judge: Beware, this offence is not extraditable. This is not the normal thing to do because one expects the judge to know. I repeat, in spite of all the innuendos that are on the record, I am satisfied just as the citizens of the country are satisfied, that counsel for the crown charged with prosecuting Banks have done their duty, and only their duty.

Mr. Woolliams: May I direct one further question to the minister? Would he deny that as late as a month ago his parliamentary secretary, who is sitting right behind him, said to a news commentator over the radio in refer-

ence to Banks, that extradition did apply and it would be used if necessary? Will he deny that statement is on tape at the present time?

Mr. Macdonald: Perhaps on a question of privilege I could deal with this matter. I deny I made the assertion the hon. member has just made.

Mr. Nielsen: Mr. Chairman, the members of the house and the public of Canada have been waiting for months for some answers to exculpate the government from this sad and sordid mess in which they have gotten themselves over Banks. Now they have been treated this afternoon to a tangled web of distortions and, in fact, fairy tales. The minister, try as he may, cannot get away from the facts which I will put straight.

Some hon. Members: Oh, oh.

Mr. Nielsen: You see, Mr. Chairman, how they believe in themselves; these infallible members over there believe in themselves merely because they happen to be sitting on the government side. They have not changed one iota since 1957 or prior thereto.

Before discussing the facts, Mr. Chairman, I want to state that there has been a serious point of order raised. The minister has referred to two letters, one dated August 25 and the other dated August 28, if I heard him correctly. He has referred to these letters in the debate. I believe the rules of this house require that they be tabled. I do not know what is in these letters. We have been given a partial explanation of what is in them by the minister. Since he has taken upon himself the responsibility to make a reference to those letters during the debate, then I believe the rules of this house require that they be tabled.

An hon. Member: Why don't you steal them?

Mr. Winkler: That is a Liberal tactic.

Mr. Woolliams: I rise on a question of privilege, Mr. Chairman, and probably we should also make it a question of order. It does seem that the Liberal members, who have been silenced by their own party, do not want to allow the opposition to speak. I want to say, Mr. Chairman, that I could name the member if he wants me to, but when he states that the distinguished member now speaking should steal those letters, then he is imputing motives. I would say with greatest respect to you, Mr. Chairman, that we should ask for a little order and decorum, because if hon. members showed a little more respect perhaps parliament would receive more respect from the members of the press gallery and the public at large.

Some hon. Members: Hear, hear.

The Chairman: Order please.

Mr. Macaluso: On a question of personal privilege, Mr. Chairman, I do not know whom the hon. member was pointing to, but I think he was pointing at me, and if he was doing so he was completely erroneous.

Mr. Winkler: If the hat fits wear it, my friend.

The Chairman: Order, please. I would invite all members to respect the usual requirements of decorum in committee and allow the hon. member to make his speech without interruption.

Mr. Nielsen: This loud and raucous interference across the way really does not bother me at all, Mr. Chairman, because I have become rather used to it, particularly when the case is so strong against them, and when their own arguments are so weak that they have to pound their desks like the trained seals they are. What it amounts to—

Mr. Lloyd: On a question of privilege, Mr. Chairman—

Mr. Woolliams: Here is the mayor of Halifax.

Mr. Rhéaume: He is not a trained seal.

Mr. Lloyd: I am not trained—

Some hon. Members: Oh, oh.

Mr. Lloyd: I am not trained as a member of the bar, but I know most people in Canada would like to see less of courtroom tactics and more of reason in a properly disciplined parliament, and I would hope the hon. member could proceed that way.

The Chairman: Obviously we will not make too much progress if we keep raising questions of privilege and points of order. I would invite all members to co-operate with the Chair and allow the hon. member for Yukon to continue his remarks.

Mr. Nielsen: They don't like it, Mr. Chairman. They don't like being confronted with the facts.

Some hon. Members: Oh, oh.

Mr. Nielsen: I am sorry if I hurt the feelings of the hon. member for Halifax (Mr. Lloyd). He is just a seal, untrained.

Mr. Lloyd: On a question of personal privilege, Mr. Chairman, as I understand the rules

inherited from the members of the bar, imputations should not be made as to the conduct of any hon. member. I suggest that the hon. member address himself to the facts and not be spinning a tale, a web of intrigue which he has constructed in his own imagination.

Mr. Nielsen: To settle the question perhaps we could have the expert advice of the Minister of Fisheries on the subject, as to the classification of the hon. member.

As recorded at page 7960 of *Hansard* for September 14 the Minister of Justice, in reply to a question put to him by the right hon. Leader of the Opposition, said:

> I must say that although we have received full co-operation from the United States authorities the latter have not yet been able to define the whereabouts of Mr. Banks.

There can be no question whatever but that the minister did in fact request the F.B.I. to investigate the whereabouts of Mr. Banks.

Mr. Sharp: Why didn't the Leader of the Opposition admit this, then?

Mr. Nielsen: I will come to that. Now the press has come forth with stories purporting to emanate from sources within the F.B.I. which state the F.B.I. were not officially requested by the Canadian government to make any investigation as to the whereabouts of Mr. Banks. I believe those stories came out on Friday last.

The minister has made much about the timing of the presentation of the motion to adjourn the business of the house under standing order 26. That motion was presented at the first opportunity, and the reason it was introduced was because of a story appearing throughout the national press that a Mr. Todd, a responsible labour leader, had alleged a deal between the government of Canada and the S.I.U. with regard to the escape of Hal Banks.

That motion was presented at the first opportunity. It is regrettable that the minister and the Prime Minister were not here. Perhaps more ministers should have been here, because certainly more ministers would appear to be involved than the Prime Minister, the Minister of Labour and the Minister of Justice in this whole shoddy affair.

Here you have two forces, the F.B.I. in the United States and the R.C.M.P. in Canada, both backed by the full resources of their two governments, both unable to trace Mr. Banks; but a Toronto *Star* reporter does it in two hours. Here is the F.B.I. of the United States, who laid Dillinger and Baby Face Nelson by the heels, unable to find Banks, and it was left to a Toronto *Star* reporter to find him inside a two hour investigation.

What is the minister trying to tell us? What is he asking the people of Canada to believe?—that these forces of justice, great and accomplished as they are and as they have proven themselves to be, cannot find a trace of the elusive Mr. Banks, but Mr. Reguly does it in two hours, and not a very strenuous two hours at that.

Is there not justification for coming to the conclusion that there has been some sort of deal between the government and Hal Banks?

Mr. Sharp: Not at all,—a lie.

Mr. Nielsen: This is just one fact.

Mr. Favreau: That is the type of mind you have.

Mr. Nielsen: Mr. Chairman, I seldom take exception to any remarks made in the chamber, but one has been made just now which may find its way into *Hansard* and I would like the minister concerned, the Minister of Trade and Commerce, who said "That is a lie" to assure me that he did not intend to impute any motives so far as I was concerned in regard to that statement.

Mr. Sharp: Mr. Chairman—

Some hon. Members: Withdraw.

Mr. Sharp: This is contrary to the assertions of the Minister of Justice, whose word I accept.

Some hon. Members: Hear, hear.

The Chairman: Order. I am sure the minister and all members of the committee know well there are some words that should not be used, and certainly one of them that cannot be used is to suggest that another member has lied. Actually we had this point discussed just a couple of weeks ago in committee, and if the word has been used, as suggested by the hon. member for Yukon, and if he requests that it be withdrawn, I am sure the minister would want to explain.

Mr. Diefenbaker: No, he wants to withdraw.

Mr. Sharp: Mr. Chairman, I would ask the hon. gentleman to withdraw his statement that the Minister of Justice is telling lies.

Mr. Diefenbaker: No.

The Chairman: Order. That is not the Chair's understanding of the rules. The hon. member for Yukon, who has the floor, makes a series of assertions which are contrary to

assertions made by another member, and each one is entitled to his own opinion, but I do not believe another member can assert one member is lying because he has contradicted a statement made by another member.

Some hon. Members: Withdraw.

Mr. Nielsen: I just want the minister to say he was not for a moment suggesting that I was lying. He may take exception to the statements which I made.

Mr. Sharp: Well, Mr. Chairman, I assert that the hon. gentleman's statements are contrary to what I regard as the truth uttered by the Minister of Justice.

Some hon. Members: Withdraw.

The Chairman: Order. I think the minister would want to co-operate with the committee and with the Chair, and if perhaps the word he used went beyond his thoughts I would ask him very simply to withdraw the word.

Mr. Sharp: I am very happy to do so. I would not offend my hon. friend—

Mr. Diefenbaker: No conditions.

Mr. Sharp: I withdraw the word.

Mr. Diefenbaker: That is better.

Mr. Nielsen: I seldom take exception to words used but I would not want readers of *Hansard*, even though they are few, to get the impression that the minister used an expression he did not want to. It is my belief that the explanation offered by the minister is more an exercise in metaphysics than it is an explanation of the law. All we want, and all we have been asking for throughout these months, are the facts. But we cannot seem to get them from the minister. He says counsel appointed by the crown opposed bail. He is a member of the bar. Having read his biographical history I am sure he has wide experience at the bar and as Minister of Justice he is gaining it now, perhaps a little more slowly here than he did while in private practice. But he knows as well as I do and as well as his colleague the Secretary of State for External Affairs does, that in every recognizance crown counsel always makes certain that there is a provision in th bail bond which would prevent the accused from leaving the jurisdiction. Certainly that has been my experience in these matters against a background of some ten years prosecuting for the crown. It is not up to the judge to prepare counsel's case for him. It is up to counsel to make sure his documents are in order before he puts them before the judge. Is it not natural that we who are familiar with the customary and usual practice in matters of this kind should wonder why this particular provision was left out on this occasion? Is it not natural that we should proceed from there to examine Mr. Todd's statement that there has been some sort of deal, or some connivance, between the government and Mr. Banks?

Mr. Favreau: Would the hon. member answer a question? Is he ready to state that the form provided by the Criminal Code in the case of a bond posted on appeal contains a clause providing for the prevention of the appellant leaving the jurisdiction? Will he not agree that in the province of Quebec, in the practice of the court of appeal, the bond which was signed by Banks was the usual and common form continuously used in that province?

Mr. Nielsen: The minister knows as well as I do that the procedure governing these matters is the one set forth in the Criminal Code of Canada and that it applies uniformly throughout the whole of Canada. It is no different in Quebec. It is the same as in any other province or area of Canada. The hon. gentleman knows, too, that fundamentally a recognizance is the same on appeal as it is on trial. He knows, also, that the provision as to remaining within the jurisdiction is a provision which is normally there before a person goes to trial or appeal.

Mr. Favreau: On a question of privilege, that ought not to be left on the record uncontradicted. It is contrary to the practice in the province of Quebec and it is contrary to the facts.

An hon. Member: There is no question of privilege.

The Chairman: I recognize that. But the Chair has to listen to at least one sentence before forming an opinion. I am sure the minister realizes there is no question of privilege here. It is the minister's privilege after the hon. member has spoken, if he has an opportunity to get on record, to correct statements which he thinks are wrong. But there is no question of privilege.

Mr. Nielsen: Well, the minister holds his view as to the practice and I hold mine. I dare say that a great many other lawyers in the country, including prominent lawyers in Quebec who have made certain statements on this subject to the press, hold views which are entirely different from those held by the

minister. But is it any wonder that since these views are held by a number of people we should ask that there be an inquiry to determine just how deeply the government is involved in these arrangements.

The crown, said the minister, opposed the bail application. But the crown did not, according to my information, advance any argument in opposition to bail being granted. The crown did not explain—as is the duty of counsel; not of the judge or the court—that the offence with which the court was dealing was a non-extraditable offence. This is a practice so common that there should be no need for it to be repeated to members of the bar who have any knowledge whatsoever of the practice which prevails. Counsel should have told the judge that the court was dealing with an accused person who was charged with a crime which was non-extraditable.

Why were such instructions not given to the counsel retained by the minister's department? Is it any wonder that in the absence of such specific instructions people come to the conclusions that they do with respect to these arrangements with the S.I.U. and with Banks.

I wonder, too, why counsel did not acquaint the court with the record of Mr. Banks—a record which I read into *Hansard* during the debate on the S.I.U. bill; a record which I described as being "as long as your arm"; a record which was appended to the order in council which was signed when Banks was admitted to this country by the Liberal administration of the day. Why was not the court informed of this record, and why were these facts not placed before the judge so that he would be better informed and able to decide whether or not there was any likelihood of Mr. Banks leaving the jurisdiction? I dare say that had this record been produced to the court then, either this particlar provision would have been inserted in his recognizance or he would not have been granted bail at all.

The facts are these. Banks was granted bail in an amount of $25,000 for a five year conviction.

Mr. Byrne: Those are the only facts so far.

Mr. Nielsen: That is a cheap price to pay to get out of the country—$5,000 a year.

Mr. Woolliams: Especially if you are using someone else's money.

Mr. Nielsen: Five thousand a year for freedom. And he was allowed—I use that word "allowed"—to leave Canada by the fumbling and the bumbling, intentional or otherwise, of the government—a government for which the Prime Minister must take responsibility by reason of his position as head of the government, and for whose actions the Minister of Justice, together with his colleague the Minister of Labour, must also take responsibility. I do not know whether or not there are any other ministers there from Montreal. I do not know their backgrounds. But there have been some statements made with regard to radio tapes and the like which may arouse a little fear in the minds of some of those ministers and maybe in the minds of some backbenchers as well, and the thought that Banks would be a fine fellow to get out of this country.

Some hon. Members: Oh, oh.

Mr. Nielsen: No amount of squirming can cover up—

Mr. Greene: Would the hon. member permit a question? I understand he alleges there was some sort of deal with Banks to buy his freedom at the rate of $5,000 per annum. I take it, then, that the hon. member alleges that the chief justice was in on this deal, as he would have to be if such a deal were made.

Mr. Nielsen: This is a very clever but very shallow contrivance on the part of the hon. member who, I understand, had his fortunes changed by some sort of a deal in Ontario, to shift emphasis from the real issues which confront the minister and the government to some side track. All this is a red herring. The court and the judge have nothing to do but their duty, and their duty is to decide on the basis of material which is put before them by counsel, material which counsel has responsibility for producing pursuant to instructions.

What was counsel instructed to do in this case? Remain mute? To rise and say merely: "We oppose bail"? What arguments did counsel present? If none were presented, why the silence? All these interventions and smokescreens are merely designed to hide the facts. The fact is, and it is abundantly clear, that the Minister of Justice—and I do not know how many collaborators he may have had on the front benches over there—made it easy for Banks to leave this country.

An hon. Member: Slander.

Mr. Nielsen: And they may have had good reason for making it easy for him to leave the country. We have seen the material that

has appeared in the column of the eminent member for Port Arthur, saying that Banks was mighty cosy with the Liberal party; saying that he referred to the Liberal party as his Ottawa bureau. No wonder then, if these allegations are correct—about which the minister says nothing, nor any other cabinet member—there is some anxiety that not only he leave the country but stay out of the country.

An hon. Member: Who brought him in in the first place?

Mr. Woolliams: Illegally?

Mr. Nielsen: What the minister is saying in effect is that what the resources of the Canadian government, of the Royal Canadian Mounted Police, of the United States government and of the federal bureau of investigation could not do over three months was done by Mr. Reguly in two hours.

Mr. Bigg: At the cost of $2 for a taxi.

Mr. Nielsen: The minister is saying that this task of finding Mr. Banks was beyond the resources of these two governments and these law enforcement agencies. The hon. member for Renfrew South and the minister have been trying to foist the blame, deliberately, with regard to the bail application, on to the judge who presided over the court at the time the application was made. The minister had some rather critical remarks to make—

Mr. Favreau: Several.

Mr. Nielsen: —of the motivation of the right hon. Leader of the Opposition, as a member of the bar, in making this statement. I put that same charge to the minister, because I say it is pretty shoddy tactics to try to foist the blame for the government's inadequacies, deliberate or otherwise, on to a judge. It was the minister's responsibility to instruct counsel properly; it was the minister's responsibility to see that Banks came to justice; it was the minister's responsibility to see that the court was properly advised by counsel instructed by his department.

An hon. Member: It was the court's decision.

Mr. Nielsen: I hear an interjection that it was the court's decision. Naturally it was the court's decision; the court was the only agency that could make such a decision. It is a fact that it is the court's decision. But what is the court going to do if a plaintiff comes in and remains mute? Is the court going to give judgment for the plaintiff, or is he going to decide the case on speculation which may or may not exist in his own mind? What is the court going to do with regard to a bail application if it is not told anything about the man concerning whom the application is made?

Mr. Winkler: He had not thought of that.

Mr. Nielsen: It is a very sad and sordid record that the government has in this regard. Its record and actions in this regard have tarnished not only the minister and the officials, whom he has not only the responsibility to direct but to guide, but they have tarnished the reputations and characters of the Prime Minister who leads this government and of the Minister of Labour; and, as I say, there may be other cabinet members involved as well. Only time will tell, and I wish Mr. Banks could tell.

Mr. Woolliams: He will talk, after the election.

Mr. Greene: You guys won't be talking in here after the election.

Some hon. Members: Hear, hear.

An hon. Member: That is wishful thinking.

Mr. Hales: You speak from experience, Joe.

Mr. Nielsen: Mr. Chairman, in closing these few words of reply to the minister's statement I want to say this to him. I have said already that counsel, if they did not bring these matters to the attention of the court, were improperly instructed and I think there are certain motivations in this regard that should be explained by the minister or whoever did instruct those counsel. I think the minister should explain just what representations were made by counsel to the judge. These are explanations that could have been made and could have helped clarify this situation; could have helped clear the tarnished image that the government has assumed as the result of the whole sordid affair.

But instead of adopting that course the minister adopted one of attacking the right hon. Leader of the Opposition for bringing forward the motion last Monday. It is my personal view, with which undoubtedly members opposite will not agree, that this government brought Banks in, approved his actions, and he was encouraged and fraternized with by the Liberal administration right up to its defeat in 1957. The Liberals were the people that brought him in. In fact, in order to accomplish this they twisted and altered and reshaped the Immigration Act and the procedures that were operable under that act.

This is what was done in order to bring in this gentleman who is now so elusive.

Mr. Herridge: Mr. Chairman, would the hon. member put on the record the name of the minister concerned?

Mr. Winkler: Who was the minister of the day?

Mr. Nielsen: The former minister, Mr. Harris, was the gentleman concerned. He is the gentleman who, in accordance with my understanding of the facts—

Mr. Greene: Which is very limited.

Mr. Nielsen: —brought representations to bear. The hon. member for Renfrew South can check these facts if he wants to be accurate himself, and if he thinks they are wrong he can rise in his place any time and correct me.

Mr. Greene: Mr. Chairman, would the hon. member permit a question? I know the hon. member is very critical of the handling of Mr. Banks both before 1957 and since April, 1963. I wonder whether the hon. member could tell us in what way, between 1957 and 1963, the Banks matter was better handled than it was previously.

Mr. Nielsen: There is one gentleman in this house who can do that much better than I, because he was an assistant deputy minister from 1955 to 1960—and he now occupies the portfolio of Minister of Justice. At the time he was an official of the department; he was undoubtedly acquainted with all the facts; he was undoubtedly acquainted with the advice given to the government of that day—and no one can tell me that a minister of justice, unless he has very good, substantial reason, is going to act without the advice of his officials.

Mr. Greene: Would the hon. member permit another question?

Some hon. Members: Sit down.

Mr. Greene: Is the hon. member alleging that the shortcomings between 1957 and 1963—

The Chairman: Order, please.

Mr. Martineau: Put it on the order paper.

The Chairman: Order. I think I should bring to the attention of the hon. member the fact that his time expired a few minutes ago. I was giving him additional minutes; but I do not think they should be used up by answering questions.

[Mr. Nielsen.]

Mr. Nielsen: With the consent of the committee, Mr. Chairman, I might be permitted to continue.

Mr. Favreau: Mr. Chairman, I think we should extend the same courtesy to the hon. gentleman as was extended to me in regard to my speech.

Mr. Douglas: On a point of order, Mr. Chairman, we have no objection to extending the hon. member's time; but this debate is only for this afternoon and I am sure the other parties in the house have speakers they want to put forward. If the hon. member is only going to be a few minutes, that is fine; but if he is going to take some time I think hon. members from other parties should be given an opportunity to take part in this debate.

Mr. Nielsen: Mr. Chairman, I want to be completely co-operative in that regard. I think the matter is of sufficient concern and importance that the debate certainly should not end this afternoon and perhaps it might be carried on tomorrow; because I am going to move an amendment this afternoon in connection with these estimates and other parties in this house may wish to debate the amendment at some length.

I was speaking of the former minister, Mr. Harris, and the order in council which was signed and which admitted Mr. Banks into this country. There was appended to it a list of the convictions of Mr. Banks. Since that admission a long record of approval, of association and of amity between the Liberals and Mr. Banks has emerged. The latest episode is Mr. Bank's decamping under the noses of the government and under the noses of the most experienced law enforcement agencies.

Not only that, Mr. Chairman, but is it not curious that Mr. Banks, to use the word of the Minister of Justice, "discreetly" left the country? He discreetly left the country in a cream cadillac with Quebec licence plates, loaded to the gunwales with all the records of the S.I.U., passing through the Canadian port of exit and the immigration port of entry to the United States.

An hon. Member: They did not know it was he.

Mr. Nielsen: No, they did not know it was Mr. Banks, although he had his cadillac on parliament hill when the demonstration took place. I am sure the minister saw it then and also a good many members of the R.C.M.P. saw it as well. I say that no party could do more for a friend. This is a friendship which is undoubtedly reciprocated by Mr. Banks.

In the good old days of Liberalism before 1957 Mr. Banks had his Ottawa bureau functioning pretty smoothly.

A government which has this sort of record by association with this gentleman, with the complete mishandling of the affair which has allowed Mr. Banks to escape Canadian justice, brings serious doubt on the capacity of the Minister of Justice to retain the portfolio he holds. In our view the minister should seriously consider submitting his resignation to the Prime Minister. Perhaps he should follow the precedent of the previous postmaster general. Before the Norris commission Banks said he got along with the Liberals; that appears in the report. He got along fine with them. In addition to letting him into the country the Liberal government even sent him to the international labour organization convention at Geneva. What a representative to represent Canada in a discussion such as that.

Mr. Macaluso: Mr. Chairman, on a point of order, I am sure the hon. member does not want—or perhaps he does—to leave such a falsehood uncorrected. He said the Liberal government sent Mr. Banks. The fact is the government accepted the recommendation of the Canadian trades and labour congress, now the Canadian Labour Congress, which nominated Mr. Banks to attend the convention. That is on the record.

Mr. Nielsen: If this government does everything the Canadian trades and labour congress recommends, that is one matter. In 1955 the government paid Banks' way to Geneva to represent Canadian labour. He was sent over by the government because he was such a friend. I wonder at the degree of dignity and distinction with which Banks represented the Canadian government and Canadian labour while in Geneva. As late as 1963 in his report to the seafarers international union convention—this appeared in the column of the hon. member for Port Arthur—Banks attacked the Norris commission. He also attacked the previous minister of labour, now the hon. member for Ontario. He spoke very approvingly of the Liberal government, saying that the enemies of the S.I.U. were not finding the same willing ears as when the Conservative government was in power. That is what the friend of those opposite said.

Mr. Moreau: He was wrong.

Mr. Nielsen: Now we have the interprovincial member for York-Scarborough again.

Mr. Douglas: A point of order, Mr. Chairman.

The Chairman: Order. The hon. member for Burnaby-Coquitlam is rising on a point of order.

Mr. Douglas: Mr. Chairman, there is only about an hour and ten minutes left in this debate. While I think the hon. member is making a useful contribution I do not think he should be allowed to take up all the time. He has been speaking now for about 45 minutes and I think some other hon. members should also be allowed to take part. If the debate continues tomorrow he can speak again, but I do not think that the other parties should be shut out completely.

Mr. Nielsen: I realize the quandary of the hon. member for Burnaby-Coquitlam but I certainly shared my 30 minutes with all the hon. members who interjected and made speeches during the time I have been on my feet. I do not think I have been speaking for 30 minutes but I will take my seat and move my amendment so that the committee might study it.

May I close simply by saying this, that the Liberals caused Banks to be charged. He was convicted and they let him go, to bask in luxury on his yacht in New York, a yacht which was provided by the S.I.U. for the purpose of Mr. Banks. And let us not believe for a moment that the S.I.U. would provide such facilities for Mr. Banks if he had lost all his usefulness to that union organization.

This raises another possible suggestion here, and that is: Has the control of the S.I.U. really slipped from Banks' hands?

Mr. Herridge: That is the question.

Mr. Nielsen: The S.I.U. do not provide these facilities for nothing. Because of the manner in which the government has failed to act on this matter; because the minister has shown a singular lack of understanding of the function with which he is charged in carrying out the responsibilities of his office; because of the degree to which the law, good order and justice in this country have been dragged in the mire by the inaction of the minister and of the government as a whole, it is both my belief and the belief of a good many of us on this side that the minister is no longer fit to hold the portfolio of Minister of Justice. Therefore I move, seconded by the hon. member for Cape Breton South:

That vote No. 1 of the estimates of the Department of Justice be reduced by the sum of $16,999.

That will leave by way of salary for the minister $1 per annum.

Mr. Orlikow: Mr. Chairman, it seems to me the only possible reason for spending a day or maybe two days in debating the now famous Banks case is that there is some reason for believing Mr. Banks still exercises part or all of the control, the evil control, over the waterfront unions that he exercised for many years. It seems to me that if we believe that, and I still believe he has a great deal of influence, we ought to look at the record of what has happened.

Mr. Chairman, I should like to begin my remarks by stating that I am not sure how I will vote on this amendment if and when it comes to a vote. Having heard the amendment I do feel it worth while to remind members of this committee about the claims of brilliance, competence and efficiency which were made by front and backbenchers on the other side, and claims regarding how they would run the business of this country smoothly, carefully and efficiently. We all remember the broken budget, and we are now faced with this situation.

I do not blame the present minister entirely for the situation which now exists because he did to some extent inherit this situation, but I do suggest that the former government could have acted during its tenure of office and clipped Mr. Banks' wings. Certainly the ordinary people of this country who become involved in minor difficulties with the law will not have a great deal of respect for the kind of justice we have in this country, in view of the manner in which Mr. Banks has escaped the penalties imposed.

Before dealing with matters which have been discussed today, I should like to refer to two statements made by the present Minister of Justice. The other night on a television program in response to the question as to why the former Liberal government had not deported Mr. Banks, the present Minister of Justice replied that the former minister of citizenship and immigration, Mr. Harris, had accepted the advice of the immigration appeal board which heard Mr. Banks' appeal. I checked my impression in this regard very carefully with others who had heard that response. Of course that is not a true statement of the facts. The immigration appeal board, set up to hear Mr. Banks' appeal and headed by Mr. St. Onge, a senior official of the department at that time, recommended that Mr. Banks be deported. The former minister, Mr. Harris, overruled that decision of the appeal board in the last week he held that cabinet post.

Mr. Favreau: Mr. Chairman, I rise on a point of privilege. The hon. member is referring to something which took place outside this house. While I realize it is not the practice of the hon. member to distort words and facts, and I know he did not intend to do so at this time, if he will recall correctly that interview on television he will realize I referred not to the immigration appeal board but to an inquiry made by the minister. Furthermore, one could hardly place any weight on that television interview because at least one third of my words were deleted. I do not think one should rely on that videotape program, because my remarks were taken out of their proper context.

Mr. Orlikow: Mr. Chairman, my relationship with the present Minister of Justice is such that I of course accept without question his statement that he did not say the former minister had accepted the recommendations of the immigration appeal board. However, I do not think it is important to my case whether the present minister made that statement or not, because the fact is that Mr. Walter Harris, at that time the minister of citizenship and immigration, did reject the recommendations of the immigration appeal board during the last week he held that cabinet position, and approved the granting of landed immigrant status to Mr. Banks. He did so I am sure with complete knowledge of a dossier on Mr. Banks, which related to Mr. Banks' life before he came to Canada.

Instead of granting that landed immigrant status to Mr. Banks by ministerial order, which is the normal practice, Mr. Walter Harris had a special order in council passed by the government, regularizing that status. In other words the whole cabinet became involved in this matter. The effect of this order in council was that Mr. Banks' landed immigration status dated back to 1952, instead of from 1954 when the case was finally disposed of by Mr. Harris. Had that not happened, I suggest it might have been easier to deport Banks when it was finally realized, belatedly, that he really ought not to have been allowed into Canada in the first place.

Mr. Chairman, one could cite incident after incident of this nature, and I am sure it is this type of thing which makes a great number of people in this country wonder about the close connections which existed between Mr. Banks and members of the former government, cabinet ministers and backbenchers, past and

present. That is the kind of common story which is circulating in every city in Canada, in newspapers, in the labour field and in the business community. I am not suggesting the minister is responsible in any way at all, but he ought to know that that is common gossip across Canada.

In discussing the prosecution of Mr. Banks several days ago the present Minister of Justice said that all the information required was available to the former government. It is not my job to defend the former government, but I think Mr. Banks' letter to the shipping companies, which came to the attention of Mr. Bernard Wilson, and through him to the former minister of labour, wherein he promised that the S.I.U. would indemnify the shipping companies if they were sued because they had not lived up to their contracts with other unions, could have been used to prosecute Mr. Banks.

The minister said that the former government did have all the information necessary to prosecute Mr. Banks. I have been informed by individuals who worked on the Banks case and know the facts, that while the Department of Justice did have a great deal of information including the testimony of Richard Greaves in 1958, and of Michael Sheehan in 1960, and knew that Walsh had been beaten in Owen Sound, it did not have evidence of any overt act in which Mr. Banks participated and for which he could be prosecuted. It did not have information or evidence linking Mr. Banks with this particular offence. In the opinion of the lawyers with whom I have discussed this situation, no charge could have been brought successfully against Mr. Banks until 1963 when the Department of Justice obtained the evidence from Mr. Bruce Smith, which he subsequently gave in court, to the effect that one of the persons present during discussions in Mr. Banks' office phoned him and asked him to establish the whereabouts of Mr. Walsh so that, as it later turned out, Mr. Walsh could be beaten. He testified further that he visited Mrs. Walsh, ascertained where her husband was in Owen Sound and communicated the information to people who went to Owen Sound and beat Walsh. Without this information the conspiracy charge certainly could not have been made to stand up. In fact, Judge Wagner devoted two pages of his judgment to Bruce Smith's testimony and to its importance.

I do not believe it is really of much value to say that the Liberal government or the Conservatives should have done it. In my opinion, it indicates that both sides have been rather slow on the job. It has been stated in many quarters, and I think I am right in saying that at least one member of the board of maritime trustees has been quoted to this effect, that we are worrying too much about the whereabouts of Mr. Banks. This was before it was proven he was in New York. It is stated we were worrying too much about whether he had gone to the United States or somewhere else. After all, these people said, the main thing is that Banks is gone and his position of influence in the S.I.U. has disappeared; the punishment of this Mr. Banks is not really very important. In fact, it has been said by some people that it is a good thing to get him out of the country. Well, Mr. Chairman, one would think that Mr. Banks had been convicted and sentenced to five years in prison because he had violated a traffic law. We ought to keep in mind that Banks was sentenced to five years by Judge Wagner, who is now the attorney general of Quebec, because the beating of Captain Walsh for which he was responsible was, and I quote from a newspaper report of Judge Wagner's charge, a manifest act of gangsterism, agreed to, prepared, ordered, directed and supervised by Banks.

We should remember that this act of violence, of beating and gangsterism, is just one of hundreds of which Banks was accused in testimony before Mr. Justice Norris. If members of the committee are interested they can turn to the schedule prepared by Mr. Justice Norris on page 444 of the report, and continuing for half a dozen pages, where they will find listed incident after incident, name after name, of people who were beaten and beaten so severely that many of them were incapacitated and permanently damaged. I am not one of those people who believe that our system of justice will work if we depend only on punishment. I am one who believes in rehabilitation. Surely, if a person ever deserved to be punished for his acts, it was Mr. Hal Banks. I suggest that when he can sit in the United States and thumb his nose at the Canadian people and Canadian justice, it is a disgrace not only to the government and the Minister of Justice but to the people of Canada as well.

I want to deal with this question of Mr. Banks and his presence in New York. It is interesting that the Minister of Justice, day after day, and it seemed even today, talked about the alleged presence of Mr. Banks in New York. How much proof do we

need? Does the minister have to see Mr. Banks in person before he believes that Mr. Banks is in New York? Surely that has been established. Since I came to this house I have not been known as the greatest admirer of the R.C.M.P. However, Mr. Chairman, I still retain some of the ideas that one picks up when he is young. One of the common ideas which the R.C.M.P. have not done anything to destroy—I think that is putting it mildly —is that the R.C.M.P. always gets its man. It seems to me incredible that the R.C.M.P. and their friends and colleagues in the F.B.I. of the United States, could not in fact find a man as easily identifiable as Mr. Hal Banks. I have great respect for the Minister of Justice. I do not have to look at the letters which he tabled. I take his word for the fact that he asked the R.C.M.P. to get on with the job. However, I cannot believe that the R.C.M.P. and the F.B.I. were told this was an A-1 priority project. I cannot believe that if they had been told that they would not have been able to find Mr. Banks. If I believed that, Mr. Chairman, I would have serious doubts about the ability of both organizations. If I were minister of justice I would begin to think that perhaps we ought to reorganize the structure of the R.C.M.P. If they had been given instructions that this was an important matter, they could have found this man.

It was common knowledge in newspaper circles, it was common knowledge in the labour movement and I suggest, Mr. Chairman, it was common knowledge amongst R.C.M.P. officers, that it was extremely likely—I think I am speaking quite cautiously—that Mr. Banks was in New York and, in fact, was in the section of Brooklyn in which the newspaper reporter found him. I think this man is an excellent newspaper reporter, but I, for one, do not believe he is more competent, more efficient, than the highly skilled policemen in the R.C.M.P. and F.B.I. I say it is important that we have this discussion because I believe, as do many other people who have had some acquaintance with the S.I.U. and other seamen's unions, that Mr. Banks still exerts an important influence in the S.I.U.

An hon. Member: Prove it.

Mr. Orlikow: Well, Mr. Chairman, we will prove it as soon as the Minister of Labour will use the power he has to bring the board of maritime trustees before the industrial relations committee.

Some hon. Members: Hear, hear.

[Mr. Orlikow.]

Mr. Orlikow: Day after day, week after week, members of this house have been on their feet begging the minister, entreating the minister, imploring the minister to get the board of trustees before the industrial relations committee. I wonder what else we have to do? Who are these people? Are they gods? Are they completely independent people or are they people appointed by the government of Canada under an act passed by this parliament? They should have been here long ago.

Mr. Macaluso: That is still not proving what you are saying.

Mr. Orlikow: I hope the hon. member has the courage to get up and speak, but not on my time.

Mr. Macaluso: I will when you are finished.

Mr. Orlikow: You can speak when I am finished.

Mr. MacEwan: That will be a real treat.

Mr. Orlikow: It is easy to talk.

An hon. Member: Pay no attention; he is a blabbermouth.

Mr. Orlikow: I know he is a blabbermouth, and I am not worried about that. This is not the time—

Mr. Macaluso: I rise on a point of privilege, Mr. Chairman. There is no member in this house who is a greater blabbermouth than the hon. member who is now speaking.

Mr. Orlikow: That was neither a point of privilege nor a point of order, and I will give it the respect which it deserves, which is none at all.

This is not the time to discuss in detail what is going on in the S.I.U. I wish to point out to members of the committee that an election is now being held, approved and supervised by the board of maritime trustees, an election in which 10 of the 12 persons running for top offices were part of Mr. Banks' machine.

An hon. Member: Prove it.

Mr. Orlikow: The hon. member does not have to believe me. He can read the report of Mr. Justice Norris where the people now running for office are listed. These are the people who will be running the organization after the election. They worked with Banks before, and we have the greatest reason to believe they will continue to work with him.

Something else has come to my attention which the Department of Labour should investigate. The board of maritime trustees ap-

proved the sending of a number of Canadian seamen to a school in New York, at which they are supposed to learn the elements of democracy. The school is called the Andrew Furuseth school and is run by the S.I.U. of North America. According to the information I have, in the interval when Mr. Banks could not be found he was acting as a teacher at this school where Canadian seamen, liberated from his domination, were being sent for instruction. I suggest that the Minister of Labour get on the job.

In a recent edition of the *Canadian Sailor,* published by the S.I.U. of Canada, it was announced with great fanfare that the licence division of the S.I.U. was being cut adrift from the Canadian organization and that they were going to form an independent organization. Let us just look at that and see the control which Mr. Banks may still have.

What is happening is that they have applied for a charter in the Atlantic and gulf division of the S.I.U. of North America, which is also known as the brotherhood of marine engineers. It is a constituent part of the marine engineers beneficial association of North America, and I have been told, by sources which have proven very reliable up until now, that the marine engineers beneficial association, which is dominated by Mr. Paul Hall, the president of the S.I.U. of North America, will very shortly be run by one Mr. Harold Banks, so that the licensed seamen on the great lakes of Canada will again be under the domination of Mr. Banks.

It is for reasons like that that we are interested in Mr. Banks. We are interested in what happened. We are interested in why he is not serving the sentence which Judge Wagner thought he should serve. I place no responsibility for what happened in the past on the present Minister of Justice. I merely close by saying that there are so many rumours, so many allegations, so many vicious stories being carried from one end of Canada to the other about former ministers of the Liberal government, about former members and present members of parliament from Montreal, about the amount of money which the S.I.U. of Canada gave to Liberal election campaigns while Banks was in control—there are so many of these stories that if the Minister of Justice is interested, and I think he is, in the good name of parliament, in the good name of democratic government, in the good name of his own party, and if he wants to assure the public that these stories are not true, he ought to move very quickly to appoint a judicial inquiry officer who could look into the whole story of the S.I.U. of Canada and of Mr. Banks, and make a report to the people of Canada which would for the first time make them feel justice is indeed being done.

Mr. Olson: At the outset I wish to say we in this party are getting a little weary of having the pot call the kettle black and vice versa. We have listened for a number of years to the charges and countercharges being hurled by the Conservative and Liberal parties across the floor of this chamber. It seems when one party is in office members of the other in opposition seem to find a number of reasons why there is some dereliction of duty, and then when they exchange positions they argue the case from the opposite viewpoint.

We think the Minister of Justice has been a little less than frank and completely open during the past few days in some of the answers he gave to questions about Hal Banks. It does not seem credible that the minister could be completely unaware of the fact that Mr. Banks had left Canada. Furthermore if the minister had been in communication with the R.C.M.P. and the F.B.I. it seems hardly credible he was not aware Mr. Banks was in New York.

It can be accepted that the minister, perhaps, could not make an official statement respecting these matters, but in many of his replies he tried to leave the impression he was not at all aware of the whereabouts of Hal Banks. In such a situation, and considering the anxiety respecting this whole matter across Canada, it would be well for the minister to be a little more frank with parliament because I am certain he has the support of all parties in it, and the support of the vast majority of Canadians in seeing to it that the kind of gangsterism which is under review is stamped out.

I am not a lawyer and am not going to get into the so-called legal procedures that it is alleged should have been taken. My information is that crown counsel did ask Judge Wagner not to grant bail at all, and this would have had the effect—

Mr. Diefenbaker: Wagner had nothing to do with it.

Mr. Olson: —of keeping Mr. Banks in custody. It seems to me this is as far as he could have gone, and that this was the maximum request that could be made. I am also informed that counsel asked that bail should not be set at less than $50,000, if bail were in fact granted. To suggest that

crown counsel was at fault when he did not remind the judge that extradition proceedings could not be taken with respect to the crime in question, does not hold a lot of weight with me because I am certain the judge must have been fully aware of that fact.

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

An hon. Member: He said he is not a lawyer.

Mr. Woolliams: I just want to put this question. Mr. Justason is crown counsel for Calgary appointed by the premier of Alberta. I have been in court with him on many occasions.

An hon. Member: What is your question?

Mr. Woolliams: Don't worry, you hounds who want to talk but will not make a speech. I know the hon. member is not a lawyer but does he not agree that it is the responsibility of counsel for the crown to set out the facts, and that on these facts a judge makes his decision—not on hearsay or on propaganda, which might be the kind of propaganda we read in periodicals and so on? It is on the evidence that a judge makes his decision, and without that evidence being before him how can he make a proper decision?

Mr. Olson: I will get round to the hon. member's question in a moment. The point I was trying to make is this: If the Conservative party is now trying to hang its whole case on the fact that crown counsel did not advise the judge that extradition proceedings could not be taken, it is a pretty weak case. I say this because it is evident to anyone following the case that crown counsel did in fact ask that no bail be granted at all, so Banks would have been kept in custody—

An hon. Member: Prove it.

Mr. Olson: I cannot prove it. I have not got the transcript of evidence before me. But this has been stated in the house a number of times and I suppose it is as true as the allegation that this information was not made known to the court.

I think we must separate the two matters which are before the committee. One consideration before us this afternoon has to do with the fact that Banks was able to escape from Canada and avoid the punishment to which he was sentenced for the crime against Mr. Walsh and the beating at Owen Sound. The other matter which is of interest to the committee and to the Canadian people is whether or not action has been taken by the government to ensure that there shall be no repetition of the incidents which have caused disruption of shipping on the great lakes—that there shall not be a perpetuation of the gangsterism which took place during Hal Banks' reign. I think we should be satisfied to some degree at least that certain action has been taken by the Department of Labour and by this house to have Banks removed from his position as president of the S.I.U. In consequence there has been reasonable peace on the great lakes during the past weeks and months.

But there are some disturbing rumours circulating, and the hon. member who spoke before me drew attention to some of them. They are to the effect that Banks may not have been removed far enough, as yet, from the labour scene. This is something which concerns all members of the house. As I said earlier, I do not intend to go over this whole question again, but I should like to review the record very briefly.

This crime of conspiracy for which Mr. Banks was convicted and sentenced related to an event which happened on August 18, 1957. If members will look at schedule 31 which was referred to by the hon. member for Winnipeg North they will find numerous entries there telling how people were beaten, and so on. Then, if they look to the right of the page, to the column under the heading "Action Taken", they will find time after time nothing whatever was done to deal with these offences during all those years from 1957 to 1962 when these terrible crimes were taking place. Has the law, or have procedures taken under the law, been sufficiently changed that it is no longer necessary to have an inquiry by a royal commission before anything can be done about crimes of this sort? These beatings had been taking place over many years, yet there was apparently no civilian authority with sufficient resources, strength or jurisdiction to deal with them. If this situation has not been remedied, then the House of Commons has an important task before it to see that the law is enacted and administered in such a way as to enable us to deal with these crimes without, first of all, the necessity to appoint a royal commission to bring them to light, after which there are further months of waiting before any charges are laid.

In the course of his report, Mr. Justice Norris made a number of recommendations and, as we read at page 312, he says:

Local police forces are not equipped to deal with mass action by irresponsible persons. All police forces, federal, provincial and municipal should extend their efforts to the utmost in co-operation with each other—avoiding jurisdictional jealousies—to the end that there shall be certainty in the enforcement of the law and that respect for the law will be maintained. It should not be difficult by co-operation between all police forces to reach a common understanding as to action in connection with labour disputes. It might be that police officers should have some special training on labour matters.

I know of no action which has been taken by this government or by any other jurisdiction to carry out this recommendation. As I have suggested, we had to wait from August 18, 1957, when Captain Walsh was beaten, until July 17, 1962, before anything effective was done about it. If nothing has been done to change this situation there are obviously very serious weaknesses in the enforcement of law in this country. I am more concerned that these should be corrected than I am about whether Hal Banks is brought back to Canada or not.

We know Hal Banks has been sentenced to five years. I suppose two points of view could be taken. One would be that no man should escape justice and that we should have him back and compel him to serve his five year sentence. Afterwards of course he would have paid his penalty to society and would be free to get back into the labour movement, if it would allow him to do so. The other point of view which could be taken is that as long as Banks is outside Canada with this sentence hanging over him we shall probably be rid of him for life, as far as his entry into Canada is concerned. It is not easy to decide which of these alternatives is the more desirable. But we must take some action to see that there is no likelihood of these crimes of violence recurring, and it is the responsibility of the minister to see that his department, together with all the law enforcement agencies of this country is able to deal with gangsterism of the type which has been evident over the past seven or eight years.

I do not want to be too critical of any one. As I said at the outset of my remarks I am getting a little tired of hearing the kettle call the pot black. If we turn back to the debate of October 9, 1963 when the resolution to set up the maritime trusteeship was before the house we find that some interesting remarks were made by the former minister of labour, the hon. member for Ontario, who had this to say as reported at page 3372:

The Norris commission was set up at the behest and the demand of the Canadian Labour Congress because the situation on the great lakes was intolerable. It is obvious to everyone that no government could impose such an inquiry on unions without great criticism from the labour movement in Canada unless it were done at their request. The labour movement is suspicious of moves of this kind, and unless and until they themselves feel the time is ripe for such an inquiry governments cannot move in this direction.

Mr. Chairman, I contend that if crimes are being committed, if gangsterism exists—and I presume the former minister of labour knew of the situation prior to July, 1962—a government ought to have sufficient courage to take measures to deal with this lawlessness whether or not such action is pleasing to the labour unions. If the former minister of labour expressed the attitude which motivates governments when considering whether or not action can be taken in circumstances where labour unions are involved, I can only say we must demand a complete change and the turning of a new leaf as far as law enforcement in Canada is concerned.

What concerns me, Mr. Chairman, is that apparently it was this reasoning that kept the former government from doing anything about the disruption of shipping on the great lakes, and the gangsterism that was taking place there from 1957 until 1962. That is not sufficient reason, and in my opinion it was a despicable dereliction of duty on their part.

Mr. Starr: Mr. Chairman, I wish to rise on a question of privilege. I think the hon. member who now has the floor is speaking about two different matters altogether. The first one he mentioned was the setting up of the maritime trusteeship over a union in this country. The reasons I gave were quite correct; it had nothing to do with any prosecutions or any acts of violence being committed by any member of any union. At that time there was not any evidence available with which to make prosecutions and secure convictions; there was none. There was not sufficient evidence, as the hon. member for Winnipeg North said, upon inquiry to make any prosecutions of Mr. Hal Banks with regard to any rumoured assault or battery which may have been committed at that time. It was not until the Norris commission reported that, based on that report and the advice of legal counsel from Toronto, charges could be laid.

Mr. Olson: Mr. Chairman, the hon. member for Ontario is a little confused with regard to what I am referring to, and I will quote his words again. I was not talking about the

setting up of the maritimes trusteeship at all. I will quote his words to him:

> The Norris commission was set up at the behest and the demand of the Canadian Labour Congress because the situation...was intolerable.

Then he went on to explain that no government, and I suppose he was referring to his own government, would have the courage —in this connection, Mr. Chairman, I will quote his exact words:

> —no government could impose such an inquiry on unions without great criticism from the labour movement in Canada—

This is talking about the Norris commission and these are the words of the hon. member as reported at page 3372 of *Hansard* for 1963. Following that, if it had not been for that commission being set up I do not believe we would have yet reached the stage where we would have dealt with Hal Banks.

Mr. Starr: I agree—because there was no evidence before then.

Mr. Olson: The fact remains that from 1957 until 1962, while there were dozens and dozens of assaults and crimes of all kinds committed on the lakefront and in the maritime areas in general, nothing was done. Even up until that time it is the statement of the former minister that until the Canadian Labour Congress was ready to accept this kind of inquiry—that is, the Norris inquiry—he did not have the courage to even initiate an inquiry.

We have the Norris recommendations. Some of them have been acted on; some of them have not. But if we are again moving into a situation where Hal Banks—and he is not the only one—is in fact going to have a great deal of influence and is going to be in a position where he can continue this kind of gangsterism, then we have the responsibility to change the law in some respects. I might also point out that one or two other things have not been taken care of by the present government, because at page 311 of his report Mr. Justice Norris says this:

> I recommend that special counsel be appointed to review all the facts available with a view to ascertaining whether charges should be laid in the provinces of Quebec and Ontario against Banks, McLaughlin and others—

That has not been done up to this stage either. Banks has been charged, convicted and sentenced. McLaughlin, to my knowledge, has not been charged, and the others to whom Mr. Justice Norris referred have not been charged. We would like the minister to take the kind of action that will make it impossible for Banks, McLaughlin and the others to whom Mr. Justice Norris referred to perpetuate their control over the S.I.U. and also their being in a position to engage in crimes of conspiracy, and so on.

In closing, Mr. Chairman, I just want to say again that we should have united action in this matter from all parties in the house. I was rather proud of the House of Commons the day we passed the maritime trusteeship bill because there was almost unanimity that here was a situation that was intolerable so far as we were concerned, and we were prepared to deal with it on that basis, in spite of demonstrations that were taking place on the lawn outside the House of Commons and in spite of some fears with regard to what the labour unions in Canada might think of us. This is not a matter of whether or not you are in favour of labour unions and the work they do; it is a matter of whether or not you are in favour of enforcing the law and whether or not you are in favour of protecting people against this kind of gangster.

Therefore, Mr. Chairman, I would like to impress upon the Minister of Justice that we think some progress has been made in cleaning up this mess, but that there is a great deal of work to be done. We would therefore urge him to get on with it as soon as possible and take into account some of the other recommendations Mr. Justice Norris has made.

Mr. Macdonald: Mr. Chairman, I would like to follow on right after the hon. member for Medicine Hat, in view of the references he made to the observations and recommendations of Mr. Justice Norris at page 311 of his report with respect to possible prosecutions. I think, in view of statements attributed to Mr. James Todd of the Canadian maritime union and repeated in this house by the Leader of the Opposition last Monday, it is desirable to set clear the record in respect of the prosecutions and action taken by the government following upon those recommendations.

The hon. member read part of the middle paragraph appearing at page 311 of Mr. Justice Norris' report and referred to the fact that Mr. Justice Norris recommended that special counsel should be appointed to look into the facts referred to and the evidence of assaults and other violence referred to by Mr. Justice Norris. Perhaps I might go on and read from page 311 where Mr. Justice Norris says:

> In my opinion, the available evidence is such that the actions of these persons, upon proof of the facts,—

I would lay stress upon those words:

—are outside the exemptions provided in sections 409-411 of the Criminal Code of Canada. Counsel should also consider the evidence to ascertain whether charges should be laid against Banks and others for conspiracy to commit indictable offences, particularly in connection with acts of violence such as the beatings of Walsh and others. Consideration should also be given to prosecuting Banks and others under section 4, subsection 4, of the Industrial Relations and Disputes Investigation Act on the grounds of intimidation and coercion.

I would like to refer to the fact that following immediately upon this recommendation the former minister of justice, Hon. Lionel Chevrier, announced to this house on July 18, 1963, that two eminent counsel—and if I may say so, perhaps the two most eminent counsel in the provinces of Ontario and Quebec—had been retained by the government for the purpose of examining those charges. I would refer to the fact that the crown retained Mr. John J. Robinette, Q.C., of Toronto, a former treasurer of the Law Society of Upper Canada and a man who occupies perhaps a pre-eminent position at the common law bar. The crown also retained the leader of the Quebec bar, Mr. Jean Martineau, Q.C., who was then the bâtonnier of the bar of Montreal. These two gentlemen were immediately retained for the purpose of examining the evidence given by various parties in respect of offences and other matters to the Norris commission, and they were also retained to advise the R.C.M.P. on additional investigations that should be carried out.

Following on this appointment the two counsel considered at once not only the broad recommendations but some other factual and notorious matters which had come to the attention of the crown in respect to the activities of Banks. I observe that the special crown counsel specifically recommended that conspiracy charges should be laid not only against Banks but also against Richardson and Carsh, the two other accused in connection with the Walsh beating. The conspiracy charges were laid on October 23 and on November 5 Banks was arrested. Subsequent to this, on May 1, 1964, Banks was convicted of these charges.

Let me also point out that the crown counsel, after very extensive investigations of the evidence and other matters, arrived at the conclusion, on the basis of further investigation by the R.C.M.P., that charges should be laid against Banks in connection with the beating of one Richard Greaves, and in due course these charges were laid against Banks and others for conspiring to injure and commit assault upon Greaves. These charges have yet to come up for trial.

I would also point out that extensive examination was made by counsel into evidence based on the various financial records and accounts of the misuse of funds which Mr. Justice Norris had referred to in the course of his report. It was the opinion of the crown counsel that there was not sufficient evidence adduced either from the investigations or before the Norris commission, or from the report of Mr. Justice Norris himself, to justify prosecution either for theft or embezzlement. Let me repeat for the benefit of the committee that this was the recommendation of the two most eminent members of the bar in Ontario and Quebec.

At the same time the two counsel were also invited by the government to consider charges on a broader basis against Banks and his union associates. In the course of the recommendations of Mr. Justice Norris he suggested that a general charge might be laid against Banks and others with regard to the pattern of beatings and intimidations which is so graphically set out in schedule 31 to the Norris report. It was the conclusion of the counsel in this particular respect that once again there was insufficient evidence available to support a general charge of that kind.

The two counsel were specifically invited as part of their responsibilities to consider the incidents arising out of the affairs which came very close to us here, the appearance of the seamen on parliament hill. As a result of their investigations they recommended that a charge be laid against Banks, McLaughlin and others in respect of the walk-off from the ships. That particular charge comes up for preliminary hearing in a matter of a few days.

What I should point out, and what perhaps is not evident to members of the committee who are not members of the legal profession, is that none of the charges which have been laid and which were laid on the recommendation of counsel were in respect of extraditable offences. In fact, none of the specific charges referred to by Mr. Justice Norris in the passage to which I have just referred were in respect of extraditable offences. The only charges which seemed to offer any reasonable prospect of successful prosecution were in respect of theft and embezzlement; and it was the specific finding of counsel that no effective charges could be laid and they recommended against such charges being laid. These were the only possible charges which in fact would involve extraditable offences.

Therefore, Mr. Chairman, I would wish to counter most strenuously the assertion made by Mr. James Todd of the Canadian maritime union that the crown only chose those charges which they knew were not extraditable. The crown chose those charges upon which there was available evidence and upon which, on the advice of very eminent counsel, there would seem to be reasonable prospect of successful prosecution; and I would point out that the crown, on the basis of the advice and assistance of those counsel, have had particular success in several of those prosecutions. Therefore I would say that the charges made by Mr. Todd and which were repeated in the house by the right hon. gentleman in support of the application he made to move the adjournment of the house were completely unfounded. They appear to have been made on a misunderstanding by Mr. Todd of the actual terms of the Norris report, and they were evidently made by Mr. Todd without any knowledge or realization at all of the available grounds for prosecution under the Norris report.

I think it should be amply clear to all, Mr. Chairman, that the crown should not be laying charges where there is no evidence to support them. Widespread investigation by Mr. Justice Norris, with the assistance of many others, including people in the shipping industry and in the unions, was made concerning the events surrounding the operations of the union, but these investigations failed to disclose any evidence on which to found a charge. I think this committee should summarily reject the innuendo involved in Mr. Todd's statement that only special charges were laid.

Mr. Herridge: That was the commissioner's job.

Mr. Macdonald: Let me point out to the hon. member that under the order in council appointing the commissioner the commissioner was to make widespread investigation into all the operations surrounding the St. Lawrence and great lakes seaways, including the operations of the S.I.U. and the activities of Mr. Banks. It is in respect of these that Mr. James Todd suggested there was a selective laying of charges. I say to the hon. members of this committee and to Mr. Todd that that is a completely false allegation and one which no responsible labour leader could in all conscience make.

Mr. Woolliams: How many labour leaders are responsible?

[Mr. Macdonald.]

Mr. Macdonald: Well, I will not develop the suggestion of the hon. member for Bow River.

This afternoon we heard from the hon. member for Yukon, who made what seemed to me a large number of innuendos about people on this side of the house and about the manner in which this case has been handled. I hesitate not one moment to reject them as completely untrue and as being a completely unfair and twisted statement of what has taken place on this matter. Let me refer in particular to the point the hon. member made about the statement made earlier by the Minister of Justice. The hon. member suggested that in some way it was a neglect of duty on the part of the minister that there was no provision in the bail bond recognizance that the accused should not leave the jurisdiction. I have had occasion to speak previously in this regard. I have also had occasion to speak to it in response to the Leader of the Opposition, on which occasion he read into the record the wrong form used in these cases. I would point out to the hon. member, as I pointed out to him then, that it is not true to say that there is any customary form under the Criminal Code which is used for this purpose on appeals and which includes such provision in a bail bond recognizance.

I would also point out that whatever may be the practice in other provinces in this country, and whatever may be the practice in these matters as opposed to the substantive law, the practice of the courts varies from province to province. It is not true to say that under the rules of the courts of the province of Quebec it is customary to have any such form of recognizance at all. I would point out—and here I am really retailing the opinion of the eminent counsel who have been advising the crown—that I am advised that it is not and has never been the customary practice in the courts of the province of Quebec to include any such provision in a bail bond such as that referred to by the hon. gentleman.

We have heard a great many wild and unfounded statements both inside and outside the house retailed by members of the house and also members of the press. One of them which I would reject most strenuously, and one of the imputations made by the hon. member for Winnipeg North, is that in some way the R.C.M.P. should assume the responsibility for the fact that the federal bureau of investigation of the United States were unable to locate Hal Banks. I point out,

as the minister pointed out in his introductory remarks, that it would not, either in accordance with international law or in accordance with sound practice, be proper for the R.C.M.P. to engage in investigations with respect to a Canadian citizen in a foreign country, and more particularly in the United States. One can imagine the storm that would be raised in this house if the reverse situation took place, and the F.B.I. carried on such an investigation in Canada.

An hon. Member: Is the F.B.I. that bad?

Mr. Macdonald: That may be a good question, but I do not think it is fair to the Royal Canadian Mounted Police, after following their instructions and requesting the assistance of the federal bureau of investigation in this regard, that they should be required to bear the onus, which some hon. members would like to put on them, for the non-discovery of Banks. As the letter tabled by the minister very aptly discloses, the R.C.M.P. were instructed, and followed up those instructions, to request the assistance of the F.B.I. in locating Banks. If the F.B.I. did not or could not do so, I do not think the responsibility should be placed in any way on the R.C.M.P. I think I may be joined by many members of this house in saying that we resent the imputation of incompetence, which has been made by some hon. members opposite, in respect of the R.C.M.P.

Mr. Chairman, I suggest that we should perhaps bear in mind just exactly what the situation was at the conclusion of the former government's tenure in office, or even before the publication of the Norris report and the commencement of action by this government. We should bear in mind that Mr. Banks was in strong control of the seafarers international union, free of any kind of prosecution for the various offences that had been taking place during a period of five years of a reign of terror on the Canadian great lakes. No action was taken at that time by the government then in power to prevent him from carrying on with those particular activities.

Mr. Chairman, it might be useful to make some reference to schedule 31 of the Norris report, and more particularly to the sad category of assaults and other violence which took place during the course of office of the government of hon. gentlemen opposite. I refer particularly to schedule 31 at page 444 and following of the Norris report, which lists incidents of assaults, beatings and terrorism, commencing with the beating of Captain Walsh on August 18, 1957, and further incidents on November 6, 1959, January 30, 1960, August 1961, October 31, 1961, April 26, 1962, April 28, 1962, April 29, 1962 and so on, page after page. These incidents include intimidations, beatings, telephone threats and harassments. What did hon. gentlemen opposite do about that situation then? The response of the former minister of justice was just a shrug of the shoulders and the statement that they could not do anything about it because it was beyond federal jurisdiction.

I should like to refer hon. members to schedule 15 of the Norris report and appendices at page 407, which is a letter from Mr. E. D. Fulton, the then minister of justice, which in part reads as follows:

> As I explained to you in my previous letter, the constitutional and legal position is clear that the primary responsibility for the maintenance of law and order and the protection of property rests with provincial authorities.

Mr. Sharp: Who said that?

Mr. Macdonald: That is what Mr. Fulton said. He then continued in this letter as follows:

> The acts complained of are in the nature of offences against the Criminal Code and any investigations and prosecutions in respect thereof are matters to be undertaken by local police authorities and provincial crown attorneys.

An hon. Member: Who drafted the letter?

Mr. Macdonald: It does not matter who drafted the letter. Who signed the letter?

This is a new Tory theory of constitutional responsibility in Canada, in which they take no responsibility. This is a new theory not of constitutional responsibility but of constitutional irresponsibility.

May I recall, Mr. Chairman, that when hon. gentlemen opposite were in office they were quick to take the credit for anything that took place, such as for the sale of wheat to China. In that regard the hon. member for Qu'Appelle, at great expense to the taxpayers, flew out to Hong Kong after the contract was negotiated, for the purpose of pushing the civil servants into the background and taking credit. However, when it comes to a question of accepting responsibility, as the hon. member for Digby-Annapolis-Kings has said, "No, we are not responsible for that letter, just because my colleague signed it".

Mr. Fisher: Mr. Chairman, I should like to ask the hon. member a question.

Mr. Macdonald: Mr. Chairman, I should like to make it clear that I am not yielding the floor, but simply allowing a question.

Mr. Fisher: I cannot understand how you can accuse the Conservative government of having responsibility. If that is the case, why do you not read into the record what Hal Banks himself said about the Liberal party, the Conservative party and other parties?

Mr. Macdonald: The hon. member for Port Arthur appears to be very much persuaded by statements made by Mr. Hal Banks. He is the man he would rely upon in this regard. At page 249 of the Norris report Mr. Justice Norris has this to say about that supporter of the hon. member's case:

> Banks is capable, decisive, egocentric, intolerant and ruthless. He is of the stuff of the Capones and the Hoffas of whom the dictators throughout history, from the earliest times to the totalitarians, Hitler and Stalin, are prototypes.—In his mouth, the use of the word "democracy" is sheer blasphemy. For him the "big lie" and the failure to remember are ever-ready weapons and shields.

That is the witness the hon. member for Port Arthur calls upon to support his case.

Some hon. Members: Oh, oh.

The Deputy Chairman: Order.

Mr. Fisher: Mr. Chairman, I rise on a question of privilege.

Mr. Macdonald: Mr. Chairman, I only have a few minutes left and I think I should be allowed to complete my remarks.

An hon. Member: Six o'clock.

The Deputy Chairman: Order, please.

Progress reported.

Mr. Speaker: This afternoon during the proceedings of the committee of supply the Minister of Justice presented a letter for tabling. With the permission of the house, the Chair will regularize the proceedings by having the letter tabled now. Is it agreed that the letter be now tabled?

Some hon. Members: Agreed.

Mr. Nielsen: Mr. Speaker, during the debate this afternoon I raised a further question concerning the minister's reference to letters of August 15 and August 28, and I suggested that by the rules of the house he is obliged to table them also. I am wondering whether Your Honour will now make a ruling.

Mr. Favreau: Mr. Speaker, I said that I would not affront the R.C.M.P. Perhaps I did not use exactly those words, but I said I would not accept the implication that their report should not be accepted, and then asked for leave to table that report which you now have in your hand, and which is in fact a letter from the R.C.M.P. to me.

I also said I would attempt to obtain leave to produce copies of the two letters referred to in this report, if my hon. friends on the other side of this house would accept the responsibility for insisting that I do so. I am not asking for the tabling of them.

Mr. Nielsen: Speaking to the point of order, I may say that the rules of the house are specific. The minister made reference to the letters and by reason of that fact I believe he is required to table them.

Mr. Speaker: My intention has been drawn to standing order 59, paragraph 4, which reads:

> The chairman shall maintain order in the committees of the whole house, deciding all questions of order subject to an appeal to the house; but disorder in a committee can only be censured by the house, on receiving a report thereof.

Mr. Nielsen: May I ask what Your Honour intends to do concerning the question of order relating to the tabling of the two letters referred to by the Minister of Justice on his responsibility?

Mr. Speaker: This is a matter for the committee. I read paragraph 4 of the standing order to indicate this. It is now after six o'clock, and I intend to leave the chair.

Mr. Diefenbaker: The Minister of Justice hides again.

PROCEDURE

FOURTEENTH REPORT OF SPECIAL COMMITTEE

Mr. Speaker: If I could have unanimous consent to revert to presenting reports, I should like to present the fourteenth report of the special committee on procedure and organization.

Some hon. Members: Agreed.

BUSINESS OF THE HOUSE

Mr. Churchill: I wonder if, for the convenience of hon. members, we could ascertain the business of tomorrow? The Acting Prime Minister promised we would have the estimates of the Department of Justice up on Thursday, and that was confirmed by Mr. Speaker himself when this was discussed on Monday. I presume we shall continue with this debate tomorrow.

Mr. Martin (Essex East): I said, when I was asked the other day, the Minister of Justice would introduce his estimates for the purpose of this particular item not later than Thursday; that is what I said.

Mr. Woolliams: No, no.

Mr. Martin (Essex East): My hon. friend and I do not quarrel about things like this. *Hansard* has what I said.

Mr. Churchill: When we looked at *Hansard,* I almost raised a point of privilege to inquire whether or not *Hansard* had been altered. The statement was on Thursday, and Mr. Speaker, as reported on page 8725 of *Hansard* said:

> I am informed today that the estimates of the Minister of Justice will be before the house on Thursday—

This was the understanding in the house at the time.

Mr. Martin (Essex East): My hon. friend does not want to create a situation which does not exist. Later in the afternoon I went to the hon. member for Bow River, the Leader of the Opposition was not here, and told him about this. He did not have any authority to act for the Leader of the Opposition, but would take note of it. There is nothing out of the way in the situation.

Mr. Diefenbaker: So there will be no mistake about what the Secretary of State for External Affairs said the other day, he said this matter would come up on Thursday; that is what he said.

Mr. Woolliams: As the Secretary of State for External Affairs mentions, he did speak to me. He said it might not be possible Thursday and he would bring it up Wednesday. I said Wednesday was a short day and I had no authority to speak for the party. He said well, likely it could go on on Friday. The fact is we have been cut off, silenced by choosing Wednesday.

Mr. Speaker: Well, I do not want to intervene. Surely, the parties can get together and reach an agreement on this matter.

[*Translation*]

Mr. Caouette: Mr. Speaker, it is true that the minister for external affairs (Mr. Martin) stated a few days ago that we would discuss on Thursday the Hal Banks affair.

Tonight we did not reach a definite conclusion, and that is what Her Majesty's loyal opposition wishes us to know. Then, when can we further discuss the case of that individual? That is what I would like to find out from the Minister of Justice or the minister for external affairs.

Mr. Favreau: Mr. Speaker, knowing my hon. friend, the member for Villeneuve, I am convinced that, were he aware of what I will say in a few seconds, he would not continue this discussion in the absence of the minister, particularly after the charges made by the right hon. Leader of the Opposition (Mr. Diefenbaker).

It is evident that, if such a statement was made by the Secretary of State for External Affairs, there was a misunderstanding, not exactly between us, but there was a lack of precision in stating the business of the house.

Tomorrow I shall be away from Ottawa on official business.

Mr. Caouette: Not political business?

Mr. Favreau: No, not political business.

[*Text*]

Mr. Diefenbaker: Will the minister be available on Friday?

Mr. Woolliams: Yes.

Mr. Favreau: I will be available on Friday. I will try to tell the right hon. gentleman what he is doing when he is putting that question. It would be so easy now for us to have the balance of the debate on the balance of my estimates.

An hon. Member: When?

Mr. Favreau: I did not plan to be here on Friday, but I will be here. There was a serious reason for me not to be here.

Mr. Smith: You are the house leader; why should you not be here?

Mr. Favreau: I will announce the government business that has been planned. I could undertake to bring my estimates next Wednesday if it is agreeable to the house.

Some hon. Members: No, no.

Mr. Diefenbaker: I rise on a point of order. If there is no more co-operation than that on the part of the government, I will not argue it at all. We are prepared to take it on Friday because he is going to be away tomorrow. There is a motion before the house which deserves the earliest consideration of the house, and Friday is that day. It does not in any way incommode the minister.

Mr. Favreau: The right hon. gentleman has lost his sense of proportion, his sense of relativity and his sense of distinction between the time when he was prime minister and the time he is Leader of the Opposition.

Tomorrow we will deal with the estimates of the Department of Trade and Commerce. They will be followed by the estimates of the

Department of Defence Production, those estimates which are left to be discussed. After that, we will be dealing with the unemployment insurance commission under the Department of Labour, and those estimates will be followed by a discussion of the estimates of the Department of Forestry.

It being eleven minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 8, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. HERRIDGE—AGE LIMIT FOR MEMBERS SUGGESTED BY MEMBER FOR PORT ARTHUR

Mr. H. W. Herridge (Kootenay West): I rise on a question of privilege under rather painful and unusual circumstances. My question of privilege refers to an article in the *Chronicle-Herald* of October 7 which reads as follows: under the heading "Suggests Age Limit for MPs",

> No member of parliament should be allowed to be in the Commons for more than 10 or 12 years, and no person over 60 should be a member, Douglas Fisher, New Democratic party member for Port Arthur, said Monday.

Some hon. Members: Oh, oh.

Mr. Herridge: The article continues:

> Mr. Fisher, 45, now in his eighth year in the Commons, was speaking to the Canadian club here. He said that if men over 60 were eliminated from the Commons a breath of fresh air would be let in.

I trust there is some inaccuracy in this report. There may be. But if it is correct I rise on a question of privilege because I consider these remarks to be a reflection on the contribution by many experienced, mature and competent members of this house.

Some hon. Members: Hear, hear.

MR. GRÉGOIRE—ENGLISH SPEAKING CONDUCTORS ON OTTAWA-MONTREAL TRAIN

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I wish to raise a question of privilege on my own behalf and also on behalf of all French Canadian members of this house.

Yesterday afternoon I received a visit from a few students from the University of Montreal and, while they were in my office I did my best to convince them that bilingualism was making headway within the federal government and the crown corporations. In fact I almost had them convinced that considerable progress had been achieved in that field.

However, a few minutes later with the same students I boarded the 5.20 p.m. C.N. train which runs between Ottawa and Montreal, two cities with a very large proportion of French speaking people. However, I was most disappointed and humiliated when I noticed that the two conductors on that train did not speak a single word of French. Needless to say, I was subjected to the sarcasm of those students whom I had tried to convince that bilingualism was growing within crown corporations. They were especially critical about the Quebec members of parliament who, they said, were making no headway in their representations to the federal government. Such representations, they said, were merely a subject of derision.

I therefore ask the Prime Minister to have an inquiry made in that respect so that steps may be taken to prevent the recurrence of such a situation.

[*Text*]

MR. CHAPDELAINE—LETTERS ON HOUSE OF COMMONS STATIONERY FROM DEFEATED CONSERVATIVE CANDIDATE

On the orders of the day:

[*Translation*]

Mr. Gérard Chapdelaine (Sherbrooke): Mr. Speaker, I rise on a question of personal privilege, although the matter is of general interest to all members.

Recently the defeated Conservative candidate in Sherbrooke county during the 1962 general election, has sent, as still do most Quebec Conservative members, to someone in Sherbrooke county, a letter of congratulations. This is something I have no objection to. However, this letter was typed on a House of Commons letterhead and was placed in an envelope also bearing the House of Commons heading. The letter is addressed to Mr. Robert Delisle, Sherbrooke University, Sherbrooke, Quebec. It reads as follows:

> Dear Robert. May I join your parents and friends to congratulate you warmly for the Molson trophy you won at the golf tournament of Sherbrooke University. I wish you a great success in your studies and a very brilliant career. My best wishes are with you. Sincerely. Maurice Allard, Member of Parliament for Sherbrooke from 1958 to 1962, present secretary of Hon. Léon Balcer.

Water Levels and Pollution

Mr. Speaker, I think that the paper placed at the disposal of the members of the House of Commons is not intended to be used by defeated members or candidates. I am ready to table this letter so that all the hon. members might see it.

I would like this matter to be referred to the privileges and elections committee to find out who supplies Mr. Maurice Allard, former member of parliament for Sherbrooke, with the stationery he uses to promote his nomination or his popularity in view of the next general election.

[*Text*]

Mr. Speaker: There being no motion to this effect, I can only proceed with the business before the house.

EXTERNAL AFFAIRS

REFERENCES TO INTERNATIONAL JOINT COMMISSION ON WATER LEVELS AND WATER POLLUTION

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, on behalf of the Secretary of State for External Affairs I wish to inform the house that the governments of Canada and the United States have agreed to place jointly before the international joint commission a reference on the level of waters of the great lakes. I also wish to inform the house that the governments of Canada and the United States have agreed to place jointly before the international joint commission a reference on pollution in the great lakes. In view of the interest which the house has taken in these matters it may be the wish of the house that these references, which are in the form of letters written by the Secretary of State for External Affairs to the international joint commission, be printed as an annex to *Hansard*.

Mr. Speaker: Does the house agree to this method of proceeding and to printing these letters as an annex to *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: For text of letters referred to above see appendix.*]

AGRICULTURE

EGGS—ANNOUNCEMENT OF DEFICIENCY PAYMENT

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I wish to inform the house that a deficiency payment of 2 cents per dozen will be paid on eggs marketed during the price support year ending September 30, 1964. Payments will commence at the end of this week.

The national weighted average price received by producers for grade A large size eggs for the 12 month period was 32 cents per dozen, or 2 cents below the support price of 34 cents. Producers are eligible to receive the deficiency payment on grade A extra large, grade A large and grade A medium size eggs, to a maximum of 4,000 dozen. Based on 1961 census information, it is estimated that the full year's production of about 95 per cent of the egg producers is less than the 4,000 dozen eligibility limit.

Total payments will approximate $1½ million.

FINANCE

UNION CARBIDE STOCK ISSUE—STATEMENT BY QUEBEC REVENUE MINISTER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I direct my question to the Minister of Finance. I should like to ask whether his attention has been drawn to a speech delivered by Hon. Eric W. Kierans, the Quebec revenue minister and one time president of the Montreal and Canadian stock exchanges, regarding the floating of the $60 million security issue in Canada by the Union Carbide corporation. Does he agree with Mr. Kierans when he says that this action will have a serious adverse effect on the Canadian balance of payments, and would he tell the house what ideas he has as to the steps which are to be taken to prevent the prejudicial effects of things like this in the future?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the speech referred to has not been brought to my attention. As to the last part of the question, I hope more Canadian subsidiaries of foreign concerns will follow the example of Union Carbide.

Mr. Diefenbaker: Mr. Speaker, I should like to ask the minister whether he agrees with Mr. Kierans, who took a pot shot at the mentality of this government, when he said that if there are any more deals like Union Carbide in this country we will have a balance of payments problem all over again very soon.

Mr. Gordon: Mr. Speaker, I do not know who is taking pot shots at whom, but I do not agree with the allegation of my right hon. friend.

Mr. Diefenbaker: I asked about what Mr. Kierans said.

IMMIGRATION

DENIAL OF PERMISSION TO BRING IN CHILDREN OF JAMAICAN IMMIGRANT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Citizenship and Immigration regarding a story which appears in this morning's issue of a Toronto newspaper concerning a Jamaican nurse's aid who came to Canada from England about a year ago and who has been denied permission to bring her two children. The ground given by the special immigration inquiry officer was that these children were illegitimate. He is quoted as having said that Jamaicans were not allowed to enter Canada if they had children who were born out of wedlock. I want to ask the minister if the decision in this case, which was heard last Friday by the immigration appeal board, has been upheld and, if so, would the minister not agree with the statement made in this newspaper report that this whole business smacks of injustice?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, as soon as my attention was drawn to the events which took place in Toronto with regard to Miss Daisy Maud Henry, I asked my officials to supply full particulars on the case.

First of all, I would like to say that all the proceedings instituted in Toronto, either at the time of the inquiry or at the time of the appeal, were based solely on the fact that when Miss Henry filed her application for admission to Canada she failed to mention that she had two children. All subsequent proceedings were of a technical nature and dealt with the fact that Miss Henry is alleged to have made a false statement, which effect was to disqualify her for admission to Canada.

Now at no time was action taken by the investigating officers, or by the court of appeal, which might lead to believe that Miss Henry was being discriminated against in any way.

On the other hand, the newspaper *Globe and Mail* reported certain statements made by some high official of the Department of Citizenship and Immigration. I admit that if these words were spoken about a person who is not of the white race, the matter is very serious and, as Minister of Citizenship and Immigration I shall see to it that the official concerned, if in fact he did say these words, bears the consequences of such an attitude toward a person who is not of the white race.

Let me say then that the case was judged by a court of appeal and that it has now reached my office. In my capacity of minister I shall be able to use my discretion in reaching a final decision in the case of Miss Henry.

[*Text*]

Mr. Douglas: I have a supplementary question, Mr. Speaker. If it is correct that this lady is to be deported from Canada because she made a declaration in which she failed to mention the fact that she had two illegitimate children in England, will the minister exercise his discretionary power to reverse the order of the appeal board deporting her from Canada?

[*Translation*]

Mr. Tremblay: Mr. Speaker, as the hon. member is aware, the minister, under the Immigration Act, has the power to reverse the decision of the court of appeal.

Also, besides the technical aspect where there was a false statement, surely there are other factors the minister must take into account when considering the problem. For instance, the fact that this person now wishes to settle in the country, bring her children over and get married. Therefore, on humanitarian grounds, the minister will have to take into account some other factors and that, in the interest of the country and of the family involved.

[*Text*]

Mr. Douglas: Mr. Speaker, I have a further supplementary question I should like to direct to the right hon. Prime Minister, asking him whether it is not time to introduce amendments to the Immigration Act to end the state of affairs under which the Department of Citizenship and Immigration is a law unto itself, by providing for the right of appeal against decisions of this department to the legitimate courts of the land?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, without accepting all the observations made by my hon. friend about the department of immigration, I agree that it would be desirable, as has been stated more than once in this house by this government, to make some changes in the Immigration Act. I hope the time will come when we will be able to do that, after completing the business now before the house.

Inquiries of the Ministry

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a supplementary question I should like to direct to the Minister of Citizenship and Immigration. Has the minister as yet received the report of Mr. Joseph Sedgwick concerning the custody of persons held on immigration charges and appeal procedures?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I did not receive lately any report on Mr. Sedgwick's activities.

I simply know that Mr. Sedgwick had to go to England for a few weeks and that he will be back in the country on October 15. With the co-operation of my colleague, the Minister of Justice (Mr. Favreau), I hope to receive Mr. Sedgwick's report by the end of November at the latest.

[*Text*]

Mr. Aiken: A supplementary question, Mr. Speaker—

Mr. Fairweather: A supplementary question—

Mr. Woolliams: Mr. Speaker, I wonder whether I could ask a supplementary question—

Mr. Speaker: Order. There are two members who wish to ask supplementaries, first the hon. member for Parry Sound-Muskoka and second the hon. member for Royal.

Mr. Aiken: Mr. Speaker, mine is related to the previous question. Does the minister intend to table the report or to make it public when it is received from Mr. Sedgwick?

[*Translation*]

Mr. Tremblay: Yes, Mr. Speaker. As I said, I will be very glad to table the report in the house so as to permit all the hon. members to look into it.

[*Text*]

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I wonder whether the Prime Minister would consider the possibility, as was urged at an earlier time, of establishing a committee of the house to study and discuss the ramifications of the Immigration Act so that situations like this Jamaican case can be dealt with by law and not by discretion.

Mr. Pearson: Mr. Speaker, I will be glad to look into that question.

Mr. Raymond Langlois (Mégantic): A supplementary question, Mr. Speaker. While we are talking about immigration, is the Prime Minister willing to consider the fact that the immigration department is at the moment helping or paying Canadian citizens to go and establish themselves in the United States?

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, my supplementary question is to the Prime Minister. He said he hoped to be able to do this when we get the business now before the house completed. I put this question to him. Has there really been a serious study and review of the law and regulations governing immigration matters, and is there now legislation ready to put on the order paper in this regard?

Mr. Pearson: There has been a serious study made, Mr. Speaker, quite as serious as was made between 1958 and 1963 and with better chances of results.

Mr. Starr: Are we ever political today.

[*Translation*]

Mr. Langlois: Mr. Speaker, I should like to ask the hon. minister a question.

A while ago when I asked another question some members thought I was referring to Mr. Banks.

Could the minister tell the house why the Canadian government is spending money to make people come to Canada, while in the Thetford area money is being spent to pay the expenses of Canadian citizens who are leaving Canada to settle in the United States?

Why does not the government spend money to help those Canadian citizens settle right here in Canada?

Will the minister inquire as to where this money comes from? Will he also amend the law to remove these anomalies?

Mr. Tremblay: Mr. Speaker, the question asked by the hon. member is extremely vague. If he could give me further information in this respect, I would be very glad to make an investigation in order to determine to what extent my department may be concerned by the incident to which he referred.

Mr. Langlois: I will be glad to do so, Mr. Speaker.

[*Text*]

[*Later:*]

Mr. E. Nasserden (Rosthern): I should like to ask the Prime Minister whether the government has set up a committee of cabinet to study the Immigration Act and the general procedures followed under it.

Right Hon. L. B. Pearson (Prime Minister): This important matter is under continuous consideration, and there is a cabinet committee dealing with it.

[*Later:*]

Mr. Nasserden: Could the Prime Minister supplement the reply he gave to my question by telling us who are the members of the cabinet committee studying the Immigration Act, so that if hon. members have suggestions to make they can send them on?

Mr. Gordon: Send them to the minister.

Mr. Pearson: I understand the hon. member is asking for the names of the members of the cabinet committee which is studying this subject. It is not customary to give publicity to the membership of cabinet committees and I do not think this custom should be broken.

REQUEST FOR CONSIDERATION OF CASES OF GREEK SEAMEN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Citizenship and Immigration. It has to do with some 12 or 15 Greek seamen who have been convicted of illegal entry into Canada and have appeals coming up in Toronto. I refer particularly to the case of one Elios Veitsas. Is the minister not of the opinion that these people, good potential citizens, should be given the opportunity to settle in our country regardless of the circumstances under which they entered Canada? I ask this question particularly in view of the fact that the officials contend that the minister has given instructions that the appeals of these people should be opposed with all the force at the command of counsel appointed by the government. Those are the words that are given to me. Will the minister not reconsider this matter, inasmuch as these men have been in jail for a couple of months, they want to come into Canada, and are good potential citizens? Rather than persecuting them should we not encourage them?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): I am quite astonished at the statement which was made a few moments ago by the right hon. Leader of the Opposition to the effect that legal advisers are instructed by officials of the department to be as strict as possible in every case brought to court.

On the contrary, I think that officials of the department and legal advisers should merely ensure that justice be meted out to all citizens of this country and that existing laws are respected.

Respecting the attitude of the minister and the persons who enter this country legally, normal proceedings are provided for by the law. An appeal may be made before a court, and a final appeal may be made to the minister under the Immigration Act.

I wish to assure the members of this house that every time I must exercise the prerogatives granted to me by parliament, I exercise them in the interests of the country and of any immigrant who may be an asset to Canada.

[*Text*]

Mr. Diefenbaker: I would like to ask the minister what he means by "in the best interests of the country". In particular I ask him whether he instructed the officials that these appeals were to be opposed, to use the expression that is before me, "with all severity". I would also ask him to look into the case of Elios Veitsas, this 19 year old sailor whose brother lives in Toronto, and who has been subpoenaed to appear on October 15.

[*Translation*]

Mr. Tremblay: Mr. Speaker, at the right hon. Leader of the Opposition's request, I shall be pleased to investigate this particular case in order to establish what procedure was followed; however, the principles I mentioned a while ago still stand.

[*Text*]

HAL BANKS—REVOCATION OF LANDED IMMIGRANT STATUS

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to address a question to the Minister of Citizenship and Immigration. Has the minister considered the provisions of section 3(b) of the Immigration Act, which are mandatory and which have the effect of revoking Canadian domicile in such a case as that of Hal Banks? If so, and if he feels that this section applies as I do, is the hon. gentleman now considering the revocation of the landed immigrant status granted to Banks?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I have indeed checked this section and, a few weeks ago the department authorized all immigration officers in the country, if by chance

Inquiries of the Ministry

Mr. Banks appeared at some immigration office, to immediately make an inquiry in order to ascertain whether Mr. Banks' departure from the country affected his Canadian domicile. If, in fact, Mr. Banks left the country to reside abroad, on a permanent basis, under the Immigration Act this may affect his Canadian domicile, and then he may no longer be admittable to Canada unless he can claim admittance under other sections of the act.

[*Text*]

Mr. Nielsen: Since the provisions of section 3(b) are mandatory, does the minister not feel he should apply those provisions to the case of Mr. Banks?

[*Translation*]

Mr. Tremblay: No, Mr. Speaker. An inquiry has to be made first.

[*Text*]

EXTERNAL AFFAIRS

CYPRUS—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, may I direct a question to the right hon. Prime Minister. Last week I asked a question related to Cyprus, following the agreement for military aid that was signed between the government of Cyprus and the government of the U.S.S.R. At that time there were no details available but now, in view of the fact that Archbishop Makarios is playing a rather prominent part in the meeting of non-aligned nations in Cairo, and also in view of the fact that there has been no improvement in the Cyprus situation, can the Prime Minister inform the house what is happening in relation to the negotiations at the UN level and also in direct contacts between the governments of Canada and Cyprus?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I regret I cannot answer this question at the moment. I know my hon. friend the Secretary of State for External Affairs did ask for a report on the first part of the question. However, he is not in his seat today as he is indisposed, but I shall try to get the answer tomorrow.

[*Later:*]

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, may I direct a question to the Prime Minister and ask him has the government made any representations to the United Nations to change the role of Canadian troops in Cyprus, in view of reports that they have been handed all the dirty jobs on that island?

Mr. Pearson: Mr. Speaker, I saw that report, I have made inquiries, and the information I have received indicates that it is most inaccurate and unfair to say that only the Canadian contingent in Cyprus had been given difficult assignments.

INTERFERENCE IN DOMESTIC AFFAIRS BY MEMBER OF FRENCH ASSEMBLY

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I would like to direct a question to the Secretary of State for External Affairs, but in his absence I shall pose it to the Prime Minister. Does the government intend to protest to the government of France over what would appear to be a serious interference in the domestic affairs of Canada by a member of the French assembly? I refer, of course, to press reports that appeared in numerous papers last Monday.

I have before me a clipping from the Ottawa *Citizen* of October 5, reporting the address of one Xavier Deniau, French deputy from Loiret, to a meeting of the St. Jean Baptiste society in Trois Rivieres last week, in which he advocated that the province of Quebec separate from Canada, pointing out the advantages that might accrue to that province by so doing. As a further question I would ask the Prime Minister if he would investigate the matter to see whether these alleged facts are correct.

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

INDUSTRY

QUEBEC—DISCUSSIONS RESPECTING ESTABLISHMENT OF AUTOMOBILE INDUSTRIES

On the orders of the day:

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, yesterday I asked the Prime Minister whether there had been an agreement between the Canadian government and the Peugeot and Renault plants in order to facilitate their establishment in the province of Quebec. At that time he informed me that he would inquire.

Can he tell the house whether his officials have had the time to supply him with this information since yesterday?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the matter is still under consideration, but I hope there will be an announcement for the house within a day or two.

PUBLIC SERVICE

EQUALIZATION OF PAY FOR PREVAILING RATES EMPLOYEES

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I would like to direct a question to the President of the Privy Council. Inasmuch as the government for many years has had in various cities across the country a class of employees known as prevailing rate employees, who receive a rate of pay based on the average wage for that type of work in their specific areas, instead of having one established wage rate for all such employees across our nation, as is the case with civil servants and military personnel, what steps does the government intend to take to end this discrimination against its employees in low wage areas?

Mr. Speaker: Would the hon. member put that question on the order paper.

Mr. Regan: Mr. Speaker, I would like to debate it tonight at ten o'clock.

INDIAN AFFAIRS

SUPREME COURT DECISION RESPECTING HUNTING AND FISHING RIGHTS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, yesterday the hon. member for the Northwest Territories asked a very important question of the right hon. Prime Minister, who replied that he was not familiar with all the details of a certain aspect of the question but would look into it. Is he now in a position to reply to yesterday's question relating to Indian affairs?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, not today but perhaps tomorrow, or Monday at the latest.

AGRICULTURE

TURKEYS—INQUIRY AS TO STEPS TO MAINTAIN PRICES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, may I direct a question to the Minister of Agriculture. Is the minister aware of the greatly aroused feelings of Saskatchewan turkey producers since it was announced over the radio that one farmer sold 99 turkeys and after he paid for dressing them all he was left with was $10? Would the minister look into this serious situation?

Hon. Harry W. Hays (Minister of Agriculture): I shall be glad to do so, Mr. Speaker.

Mr. A. D. Hales (Wellington South): As a supplementary question, in view of the large number of questions we have had on this matter does the minister intend to replace the quotas on United States turkeys coming into Canada, or does he intend to increase the tariff on live turkeys so as to bring it more in line with the tariff on dressed turkeys?

Mr. Hays: Mr. Speaker, this is a policy matter on which we will be glad to inform the house when it is formulated. We are looking into it now.

Mr. Eric A. Winkler (Grey-Bruce): A supplementary, Mr. Speaker. This matter of import quotas and an increase in the tariff on turkeys coming into the country is very important, and an announcement of government policy may be too late to do anything for turkey producers if the minister does not give an answer now and say something will be done. Is he prepared to say the government will take steps to assist such people?

Mr. Hays: Mr. Speaker, this is a matter of policy, but seeing there is such great interest in this question perhaps I should make hon. members familiar with it.

Yesterday the hon. member for Huron made certain statements and inquiries concerning the importation of turkeys into Canada from the United States. A supplemental question was asked by the hon. member for Rosetown-Biggar which related to the relative rate of current turkey imports in comparison with those earlier this year.

The latest information on the turkey import situation is that up until the end of August a total of 7,763,903 pounds of turkeys, both eviscerated and live expressed in terms of eviscerated weight, had entered Canada from the United States. Subsequent to that date the imports have been as follows. During the week ending September 5, 185,892 pounds; week ending September 12, 135,500 pounds; week ending September 19, 83,752 pounds and the week ending September 26, 45,112 pounds, making a total for the month of September of 450,256 pounds, bringing the total imports to that date to 8,214,159 pounds.

Inquiries of the Ministry

The hon. member for Huron indicated that at the turkey growers' convention in Winnipeg, about a month ago, I made the statement that no turkeys had come into Canada during the previous two weeks. The actual statement I made—and I quote from the manuscript of my address—was:

—with the result that imports of American turkeys into Canada all but stopped during August—in fact, in recent weeks the only movement has been a relatively minor one involving only one plant.

The hon. member for Rosetown-Biggar has queried the statement that imports are levelling off, basing this query on the assertion that one third of a million pounds of turkeys have come into Canada during September. As I have indicated, under one half million pounds came into Canada during that period, but in comparison with earlier months this figure does represent a distinct levelling off or slowing up of imports, since during the month of June in excess of two and a half million pounds were imported, while the figure for the month of July was in excess of two million pounds. In August imports dropped to about three quarters of a million pounds.

As I have indicated previously, I have asked the Canadian turkey federation, both at a special committee meeting held at the time of their annual convention and subsequently in writing, for their suggestions as to the best way of meeting this problem consistent with Canada's over-all trade interests. As yet I have received no reply. However, I can assure the house that this matter is one which is engaging the active interest of the government.

Mr. Winkler: I thank the minister for those statistics, and having heard them I should like to ask him this question. Is it a fact that imports as of the end of September show an increase of considerably more than 100 per cent when related to imports under the previous system of import quotas during the last full year of imports from the United States?

Mr. Hays: I whould like to check the figures in that regard, but what the hon. member says could conceivably be correct. He will understand, however, when considering trade between Canada and the United States, that we had to export from this country $1,300 million of agricultural products this year, and that 30 per cent of all the agricultural products we produce has to be exported. In these circumstances we must consider the over-all picture of these exports very carefully if we are not to hurt one area or another.

Mr. Winkler: A supplementary question—

[Mr. Hays.]

Mr. Speaker: Order. Is this question really pressing? It is probably important, but must it be answered at this moment? We have had a long discussion on the turkey question.

Mr. Winkler: I agree with the minister that we must move carefully in making some of these decisions, but does he not think that the previously accepted pattern working to the benefit of Canadian turkey producers was a satisfactory one?

Mr. Hays: Of course that was contrary to our international obligations, and I suppose this is something we much watch very carefully or other exports are liable to be hurt, to the detriment of Canadian producers.

HOUSING

VANCOUVER—THREATENED EVICTION OF WIDOW FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): I wish to direct a question to the Minister of Veterans Affairs. With regard to the Fraserview subdivision, the Postmaster General told us on Tuesday he would deal with individual cases. A pensioner widow with two young daughters, Mrs. E. Johnson of East 55th avenue, was taken to hospital with a stroke because of mental anxiety—

An hon. Member: Order.

Mr. Chatterton: I am preparing my question, Mr. Speaker. She was taken to hospital with a stroke because of mental anxiety over possible eviction and will not be in a position to make representations on her own. Will the minister look into this case and refer it to the Postmaster General for compassionate consideration?

Hon. Roger Teillet (Minister of Veterans Affairs): I will be glad to look into the matter, certainly.

PENSIONS

CANADA PLAN—INQUIRY AS TO INTRODUCTION OF RESOLUTION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In the full knowledge of the fact that there are 31 days in October, is it not possible for the Prime Minister to undertake that the new legislation respecting the Canada pension plan will be on the order paper before the end of this month?

Right Hon. L. B. Pearson (Prime Minister): I think it is safe to give the hon. gentleman that assurance.

CANADIAN BROADCASTING CORPORATION

STATEMENT RESPECTING INTERVIEWS WITH MEMBERS OF FLAG COMMITTEE

On the orders of the day:

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, in answer to the critical remarks the hon. member for Lake St. John (Mr. Lessard) made yesterday, the C.B.C. have informed me that there was no discrimination, that no unfairness was shown toward the French speaking members who are on the flag committee.

According to regular procedure the cameramen in Ottawa whom the producers had appointed took the pictures required for this type of program for both the English and French networks of the C.B.C.

The silent pictures taken at yesterday's conference were televised over both networks last night in exactly the same manner. The films merely showed the tremendous number of designs that have been submitted and the various members of the committee were only seen in the background.

Mr. Speaker, I think the hon. member should have ascertained the facts before raising such a grievance which, under the circumstances, has no foundation whatsoever.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, on the point just raised by the Secretary of State, could he tell us why the C.B.C. saw fit, this morning, to set up its cameras at the door of the flag committee in order to shoot what had been forgotten the previous day?

Mr. Lamontagne: No, Mr. Speaker.

[*Text*]

AIR CANADA

CONSULTATION WITH GOVERNMENT RESPECTING NEW EMBLEM

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to put a question to the Acting Minister of Transport, but in his absence I will direct it to the right hon. Prime Minister.

Did the president of Air Canada consult the government before adopting the company's new maple leaf emblem?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I will have to look into that matter.

NATIONAL DEFENCE

NOTICE TO PERSONNEL TO BE COMPULSORILY RETIRED

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I should like to ask the Associate Minister of National Defence whether, if reports to the effect that a number of officers at defence headquarters are to be released during the next nine months are accurate, it would not be possible to give these gentlemen at least six months' notice of the termination of their employment. Press reports indicate there will be just three months' notice.

Hon. Lucien Cardin (Associate Minister of National Defence): Yes; according to a press release by my colleague the Minister of National Defence it is expected that between now and May of next year perhaps a thousand officials will be compulsorily released. The question of notice prior to release has been considered very carefully, and it is felt that a 90 day notice is sufficient.

Mr. Churchill: A supplementary question, Mr. Speaker. If the plan has been made to retire such a large number, surely they are entitled to more than 90 days' notice. I do request the minister to give them notice now so they can make their plans for next May.

Mr. Cardin: Mr. Speaker, I think it has been understood for some time now that members of the services will be released. I believe most people who are in the services now have looked into this possibility. We have of course to decide which people will be compulsorily released. This will be done in three stages. I think some will be advised in November, another group will be advised in February, and the last group will be advised in May. We believe that a 90 day notice is a sufficient period.

Mr. Churchill: A final supplementary question, Mr. Speaker. Does the minister really believe that keeping these gentlemen in suspense—

Mr. Diefenbaker: Keeping everybody in suspense.

Mr. Churchill: —is a satisfactory method of dealing with this matter? The associate minister has said they have already decided who shall go.

Mr. Speaker: Order. This is becoming very argumentative.

Mr. Churchill: That is a fair question, Mr. Speaker.

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, I wonder whether the minister can give the house and the country any idea as to how many of these officers are near retirement age.

Mr. Cardin: I could not answer that question, Mr. Speaker.

Mr. Speaker: This is surely a question for the order paper; there is not any immediate urgency about it.

LABOUR CONDITIONS

QUEBEC—DELAY IN PAYMENT FOR WINTER WORKS

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Mégantic): Mr. Speaker, I should like to put a question to the Minister of Labour. Last year the government made grants to municipalities with respect to winter works. Certain municipalities have not yet been reimbursed for the works undertaken last winter, and they are now faced with the obligation of borrowing to carry out this year's winter works. Could the minister tell the house whether he is going to live up to his responsibilities in that respect?

[*Text*]

Mr. Speaker: Once again, this is a question for the order paper.

NATIONAL PARKS

BANFF—MEETING WITH COUNCIL RESPECTING MOTEL CONSTRUCTION

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I have one more question, Mr. Speaker. I would like to direct a question to the Minister of Northern Affairs and National Resources concerning Banff. I will put my question in two parts. Is the minister prepared now to meet the elected council of Banff; and second, is he not well aware that one of our land developers of Alberta, namely Mayor Hawrelak, is the man behind the syndicate building this particular motel in that area which is zoned against this kind of development?

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

Mr. Woolliams: Mr. Speaker, I would like to serve notice of my intention to debate this question at ten o'clock.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the detals of the estimates, $5,180,500.

The Chairman: Order. House again in committee of supply; vote No. 1 of the estimates of the Department of Trade and Commerce for the fiscal year ending March 31, 1965.

Mr. Scott: Mr. Chairman, since the adjournment last week I have had an opportunity to read the speech of my colleague from Burnaby-Richmond in which he dealt in general with the policies of the government. I do not want to repeat any of those matters, except to say that I certainly endorse the views that he expressed.

This afternoon I would like to lay before the committee a problem that concerns almost every household in Canada, and urge upon the government that some action be taken to meet the problem. I am referring, of course, to the old problem of the consumer in Canada and the extent to which he is deprived of adequate protection against such things as unfair packaging, high interest rates and a general lack of information upon which he can make an intelligent choice. The size of this group is to me astonishing. The recent studies that are available indicate that approximately 90 per cent of the personal disposable income of Canadians is used to directly satisfy the demands of individual consumers for goods and services. This represents two thirds of our gross national product and amounts to some $27 billion each year being spent by the consumers in Canada.

It is therefore obvious that this group is represented in every household in Canada, and it is urgently necessary that something be done to deal with the problems they face. At the present time the government is active in the general consumer field, but the degree of activity is so scattered among the various

departments that it is very doubtful that any really cohesive plan can be developed for the consumer market. For example, the Department of Trade and Commerce has a weights and measures division; the Department of Agriculture has a consumer section and a section for the inspection of meat and other foods; the Department of Justice has an anti-combines section for price fixing, which is relatively ineffective; the Department of National Health and Welfare has its food and drug directorate; the Department of Defence Production has a consumer section; the Department of Fisheries has an information and consumer branch. In short, Mr. Chairman, while there is activity in this field, it is scattered among all the government departments.

The suggestion I would like to put to the government is that they create a department of consumer affairs, headed by a full time minister to devote all his attention to the affairs of this new and important department. As you know, Mr. Chairman, every other economic group in Canada has a department to speak for it. We have the Department of Trade and Commerce, concerned with business in general; we have the Department of Industry; we have the Department of Agriculture and the Department of Labour. All these departments deal with important organized groups in the community, but for the consumer there is nobody to speak on his behalf, at least in any co-ordinated way. We feel very strongly that the time has come for the creation of a new department of consumer affairs.

This, of course, is not our own idea alone; members of the house in speeches outside the house have advocated a similar program. The hon. member for Northumberland in a recent speech advocated such a change; the consumers association of Canada has advocated such a change; the credit union associations of Canada have made representations to the government along the same line. All these groups have tried to point out to the government the urgent problems of this important section of the community and the very real need for a special department to handle their affairs.

It is interesting that the United States is again ahead of us in this whole field. In that country there has been an enormous amount of research undertaken, and various legislative acts have been passed for the protection of the consumer. We should like to suggest to the government that they bring into effect a bill of rights for the consumer setting out what are his rights in the jungle of the competitive trade world.

I think there are four basic rights. First of all, the consumer ought to have the right to safety, to be protected against the marketing of goods which are hazardous to health or life. Second, the consumer should have the right to be informed; to be protected against fraudulent, deceitful or grossly misleading information, advertising, labelling or other practices; and above all to be given the facts he needs to make an informed choice. Third, the consumer ought to have the right to choose; the right to be assured wherever possible access to a variety of products and services at competitive prices; and in those industries in which competition is not workable—and there are many—a government regulation substituted constituting an assurance of satisfactory quality and service at fair prices. Finally, the consumer must have the right to be heard; to be assured that the consumer's interest will receive full and sympathetic consideration in the formulation of government policy and fair and expeditious treatment in its administrative tribunals. I think if we were to bring into effect a bill of rights for the consumer we would go a long way toward dealing with this very important problem.

There have been various voluntary agencies at work in Canada, the most notable being, of course, the Canadian consumers association. This organization has done a great deal of work in testing various products which are on the market and in making the information available to the general public. But it is handicapped for money and just does not have the tremendous machinery for publication that is available to the government.

I am thinking of some of the tests they have made. For example, they recently issued a statement declaring that they had conducted tests of thermometers of Japanese or German origin. These thermometers bore the following statement: "This clinical thermometer has been rigidly inspected and tested in accordance with standards established by the national research council". On examination, Mr. Chairman, it turned out that none of the thermometers which bore this guarantee passed all the C.A.C. tests, and the C.A.C. magazine concluded that they considered this to be misleading to consumers and that it was contrary to the section of the Canadian Criminal Code which forbids the use of the national research council's

name in advertising unless all its specifications are met. This is just one of dozens of examples where the public are being hoodwinked by this type of fraudulent advertising.

In other cases the same organization, the consumers association of Canada, conducted tests, for example on cans of fruit juice, and it was found that of the 20 ounce cans in particular which were tested only one in every nine contained the full 20 ounces. Again there was a whole series of misleading representations on the packaging. Although one particular instance does not sound very serious, when this is multiplied millions of times over, thus reflecting the quantity of sales, it is evident that the public are being gypped and fraudulently treated.

The same organization conducted tests on milk cartons and found that the contents of the cartons which were investigated varied in amount all the way down to four fluid ounces below the amount specified on the label. Thirteen brands were found to be below the amount advertised, which again is another flagrant example of how consumers are gypped. The files of those interested in this subject are bulging with examples of fraudulent and misleading advertising to which the public are being subjected by various companies, apparently with immunity to our present laws.

Another tricky gimmick which is used is to state the number of ounces contained in the various packages. Indeed, to analyse them the housewife would need to have an I.B.M. computer in order to establish whether the various ranges were competitive. These are some examples which can be seen at any of our local general stores. Spic and Span have a one pound three and a half ounce package for 41 cents, a two pound eight ounce package for 82 cents and a four pound six and a half ounce package for $1.40. How on earth is the housewife in the busy rush of the day going to divide up all the fractions of ounces so as to decide whether one package is more economic than another? Surf sells a two pound 10 ounce package for 73 cents and a five pound package for $1.19. Again, how is the shopper to divide the fractions back and forth? Another example; Colgate toothpaste sells at 44 grams for 39 cents, 82 grams for 61 cents, 162 grams for 94 cents and 238 grams for $1.19. Again how is the housewife to break this down so as to establish whether or not there is a proper price relationship for the product? Pepsodent toothpaste sells at 41 grams for 33 cents and 80.5 grams for 59 cents. How is there any assurance of a properly calculated price unless the housewife takes a calculating machine to the cashier's desk with her? Another example; Clover Leaf pink salmon, three and three quarter ounces for 25 cents, seven and three quarter ounces for 35 cents and 15½ ounces for 69 cents. I challenge anyone but a brilliant mathematician to do the fast calculations required to establish whether this is a proper competitive price.

I have a whole list of these examples here, Mr. Chairman, which I could read into the record, but I do not intend to do so because I think it is quite clear that this business of the broken ounces and the variations in price make it absolutely impossible for the consumers of Canada to know whether they are being gypped or are in fact getting true measure. We are all aware of the gimmick on the package which declares "10 cents off" or "15 cents off," whatever it may be. We can all go into a supermarket and buy a large can of coffee which has on the label "10 cents off," or "15 cents off." In fact these printed labels are part of the package itself and bear no relationship whatever to the price paid by the consumer. In short it is another gimmick to hoodwink the public.

Those of us who are serving on the special committee on consumer credit along with the gentlemen of the other place are already shocked and dismayed at the evidence which has been given of the degree to which Canadian consumers are not aware of the interest charges which they are paying. All of us are astounded at the mountainous rate of interest being gouged out of the Canadian public through lack of disclosure, hidden bonuses, special charges, all of which are lumped together in the price of the product being sold. So as I say I think the housewives and the general consumers of Canada simply do not have the faintest idea whether or not they are being properly protected. Indeed, the whole business of the way in which goods are packaged and the housewife defrauded is, in my view, something which comes down to the responsibility of this government.

As I have said, the late President Kennedy was very aware of this problem, and early in his term of office sent a message to the United States congress in which he accepted on behalf of the federal government that the federal government, by its very nature, was the highest spokesman for all the people; and he accepted the principle that the federal government has a responsibility to the unspoken-for consumer to see that ade-

quate legislation is brought in and that adequate provision is made for his protection.

Clearly, Mr. Chairman, if there is going to be any serious attempt on our part to get into this subject it simply cannot be done by leaving the problems of the consumer in the hands of each individual minister in so far as they relate to their departments. All we will have by doing so is a disjointed and generally chaotic approach to a $27 billion industry. It seems to me that the representations which have been made by various groups to the government ought to receive serious consideration.

We should like to suggest, for example, that the post office be used for the displaying of information which would be useful to the consumer. There is already a great deal of material that could be made available to the consumer. Second, we should like to see stiffer laws, for example, for the testing of drugs and cosmetics before they reach the public. All of us will remember the thalidomide tragedy of a year or so ago. All of us will want to see that never again will there be any possibility of anything of this sort getting on the market. We should like to see a re-examination of this kind of thing before it is allowed on the market, because there is nothing so cruel as to permit the sale of useless material, or material which will perhaps do harm.

We should also like to see stiffer laws in respect of credit abuses. Many members in all sections of this house have introduced bills calling for greater disclosure of interest charges so the buyer will know precisely what he is paying for the money he is borrowing. I have yet to see any formula which would work, other than the one proposed by the credit union league representatives when they appeared before the special committee on consumer credit. They did produce a formula which would make this clear. We should like to see some limitation upon interest charges generally. We realize this is a dangerous area, because in many ways we merely drive the money supply somewhere else, but something should be done about an upper limit on gross interest charges.

We should like to see some consideration given on behalf of the consumer to the opening up of alternative credit sources. I understand, for example, that chartered banks would be very interested in getting into the field of consumer credit, and would provide it at less than one half the price Canadians are now paying, if certain changes in the Bank Act could be brought in. We hope to raise this question when the Bank Act is under revision.

We should like to see something done in the form of the truth in packaging legislation which has been introduced in the United States. There has been considerable discussion there in this regard, and I think it was Senator Hart who pioneered in this field. He has introduced an excellent bill called the truth in packaging bill, which goes through all the abuses to which the consumers are now subjected and attempts to regulate the exploitation that is taking place. I think there is a good lesson to be learned here so far as our internal commercial policies are concerned.

We should like to see a department of this kind have an up to date statistical flow of information concerning the whole field of consumer credit. Many of the economic shifts that have taken place in Canada have been due to the very pronounced change in the pattern of spending of Canadian consumers. After all, when there is a shift in the method of spending by a group who consume $27 billion worth of goods and services, there is a profound effect upon the economy of the country as a whole.

I do not want to labour this point because I think an examination of the record and the information already available will make it very clear that there is an urgent need for something to be done in this field. I hope if the minister does not feel this is strictly within the terms of reference of his department he will at least pass it on to whoever in government should give it consideration.

In conclusion, Mr. Chairman, I merely want to summarize the proposals we have suggested. 1. That a new department of consumer affairs be created with a full time minister to look after the affairs of the consumers of Canada as a whole, because at the present time there is nobody to speak for them.

2. A bill of rights should be adopted for the consumers to set out and guarantee to them those things I raised earlier in my speech.

3. We suggest the introduction of the necessary legislation to deal with credit, unfair packaging, distasteful advertising, and all the other abuses to which the consuming public is being subjected at the present time.

4. We suggest such a department should be operated in co-operation with provincial agencies which now exist in order to be sure that the ultimate amount of consumer protection will be made available.

5. We want to urge that a really serious examination be made of this problem by the

government rather than just the active consideration to which reference has been made on orders of the day. We urge that a serious attempt be made to give representation to this tremendous section of Canada, which at the present time is unrepresented, but whose problems affect the lives of every Canadian.

Mr. Hamilton: Mr. Chairman, I have been inspired to make a few comments during our consideration of the estimates of the Minister of Trade and Commerce because of certain things that have taken place recently, one being the statement made by the minister.

First of all I should like to thank the minister and congratulate him for his statement to this house last week, in which he included a list of the achievements of the Conservative administration which preceded his. He was very courteous in pointing out in his opening sentence that Canada is now in the fourth year of advance and is moving strongly ahead. Thank heaven most of us can subtract and look back to the spring of 1961, when this advance received tremendous impetus by the budget of that year.

Even though all the things the Conservative administration did are not listed in those opening remarks, when one goes through his speech and picks off all the items he did mention, including the so-called power policy, national oil policy, the balancing of the merchandise account trade balance, and general economic improvement, I think the minister should be congratulated for bringing these to public attention, and for noting that the efforts made by the previous government to carry out a policy of expansion to meet our world commitments on balance of payments was the right course to follow.

I do not intend in my remarks to discuss the obvious schizophrenia of the present government. The Minister of Trade and Commerce talks in one language while the Minister of Finance talks in another language, which is restrictive. If one looks at the statements of the Minister of Finance which are included in the royal commission report—particularly the preliminary report, and repeated in a more general fashion in the final report—the minister's statements made in his paper read to the Kingston conference of 1960, and the statements made in the minister's book "Troubled Canada"—which I call Mein Kampf; then if one looks at the recent actions of the Minister of Finance, he will see a government under the control of policies leading toward restriction. This is the wrong policy for Canada.

[Mr. Scott.]

The Minister of Trade and Commerce speaks in an entirely different language. He speaks of multilateral trade. That is a sound policy and the only course that Canada should follow if we are to consider our national interests.

I think on this occasion I should put forward those proposals which I believe are of interest to the Department of Trade and Commerce and to the whole country. In my opinion the world is at the crossroads of decision so far as trade is concerned. Ever since the time of the industrial revolution trade has developed tremendously among those nations which can be classified as industrial. They have learned the hard way that they have to work together, and in working together there have been tremendous achievements.

But a new factor has now entered the picture. This new factor is that there are a tremendous number of new countries which are not industrialized to any great extent and whose people cry out for a better standard of living. This is the quandary in which Canada finds itself. We have such tremendous volumes of energy and resources, and we know that all the fingers of the world are pointing at us and wondering which course we will take.

There are two main paths that the nations seem to be considering. One is the traditional path whereby industrial nations gather together in various groupings, primarily GATT. They look at the world from their vantage point of rich living and progress. They are aware of the new nations on the outside, and they condescend to look at the problems of the newly developing nations and wonder how they can let some of their products into this rich men's club without seriously lowering the standard of living within the magic circle. This is the one path. Each one of the people sent by Canada to the hard and heavy negotiations in Geneva concerning new agreements under GATT is sent there with instructions that he must get the best possible deal for his country and make it as difficult as possible for anybody else to get into our markets.

An hon. Member: Get more and give less.

Mr. Hamilton: To sell at any cost is the philosophy with which they are sent there. This is the direction that ministers, not only under the present government, give them. It is a traditional policy of all the western industrial nations.

I suggest that the other path should be looked at. This other path is a strange, new

one. It is based on an attitude of mind just the reverse of what I have described. Canada's decisions in the next few years will be very important not only to us but to all those countries of the world that are looking for some breach in the wall that the people of the industrial nations are trying to build around themselves.

Before I embark upon a description of the other path and the course of action we can take if we are genuinely interested in this path, let me review recent trade tendencies in a very general and incomplete way. Generally speaking the western world has given lip service to multilateral trade, but in practice it has tended to group itself into regional groupings. We have the regional groupings of E.C.M., of EFTA, of South America and most recently of Africa. We have the Kennedy round of negotiations concerning GATT which in effect is an acceptance of the regional concept. This is one tendency, and I am afraid this regional tendency still stands in high favour in the minds of many of the economists in our western industrial nations who write articles to advise politicians.

On the other hand we still have those in the western nations who are putting up a fight for the multilateral principle, and in all fairness I think Canada under all governments has been consistent in advocating this principle even though a few years ago we heard in the house from the then opposition side great claims that we should enter into these regional blocs, that we should join these rich men's clubs and bar the door to the poor at our gates. Fortunately this phase did not last long, because so far as the general philosophy in Canada is concerned the multilateral side seems to be winning out.

Having given this general and incomplete history I should like to suggest now that the basis of the new path that could be considered is an attitude of mind. The attitude of mind is that there are two billion people in the world who at the present time do not play much of a role in world trade, certainly far less than 20 per cent, and this vast number of people who enjoy such a small percentage of world trade want a better living standard. They know they can only achieve a better living standard by trading with the rich industrial nations. They do not want to have to come to our door at GATT and plead for crumbs.

Canada, on the other hand, is not so rigidly bound by the fears of the past that crush the minds and spirits of leaders in western Europe. We still have a spark or two left in us that will pioneer a new course. But I say first of all that the attitude should be that the needs and wants of these people must be paramount, not our own. Let me give an example. In 1943 men of high principle enunciated the principle of a world food bank. It was not until 1961 that we got the world food bank program on its feet, and it is in action today. What caused that sudden reversal of the field in 1961? It was the declaration by those representing Canada at the world conference in Rome that we put the needs of these people first, that our thought was not just to get rid of surplus wheat or surplus something else but that what these people wanted they should have a right to. The practical way in which we did this, of course, was to offer to put cash into the fund, and we agreed that Canadian money could be used to buy food anywhere in the world. This won the support, not opposition, of the newly developing nations.

I could go on and talk about this at great length, but over and over again as I go through *Hansard* for the last year and a half I find the opposite attitude on the part of the present Minister of Trade and Commerce. I think many of us who tried so hard to sell Canadian wheat must have been shocked at the answer of the minister just yesterday to the question asked by the hon. member for Assiniboia. With regard to the failure of crops in Europe the minister said, as found on page 8837 of *Hansard*:

> —I am satisfied that if these reports are correct—and I hope they are from the point of view of Canadian wheat prospects—we shall get our full share of the business that is going.

This is my point, Mr. Chairman. If you are going to be a good salesman of wheat, if you are going to be a person who helps these countries get on their feet, you will only succeed if your attitude is right; namely that you want to help them because in helping them you will always help yourself. This is the key to the path that in my opinion will lead to the bringing of all these people into the trade picture in the world of today.

What are some of these trading techniques? Some are old and some are new. Some may be proven no good, but at least we should take a look at them. From the questions I have asked in the last year and a half the minister knows that I am tremendously interested in international commodity agreements. Generally speaking there are two classes of international commodity agreements. The first

class comprises those between the traditional traders of the world, hard headed and experienced people who can look after themselves. They establish a minimum and a maximum and trade within those two limits.

But there is a new type of international commodity agreement yet to be developed and which must be developed if we are going to break the barrier between the newly developing nations and the industrialized nations. These newly developing countries need to accept the fact that we in the rich countries of the world recognize and want them to join, not to take away their shirts and their livelihood from them by grinding them down to the lowest possible prices, but by deliberately going out to raise and double their prices.

Most of these countries are producers of staple products. These are all they have got to sell and we could double their basic income, and it would not mean very much to us at the retail level. In that way we could give them a chance to buy the things they need from us. This is the way you can move forward; but you have to have the attitude.

We can remember the debates and questions we had last year on an international sugar agreement. I went through the record again this morning and I should like to give one quotation which shows a classic example of the attitude that exists in Canada, and in particular in the minister's mind. Everyone knows why there is not a sugar agreement today, because of the dispute between the United States and Cuba, but this is what the minister said in one of his answers:

> I am of the opinion that it would be unwise at the moment to enter into long term agreements with commonwealth suppliers or any other suppliers.

And further on he said:

> —until the market has settled down before we commit ourselves to any long term contract which would oblige Canadian consumers to pay higher prices in the long run.

Mr. Sharp: Would the hon. member give the date and the page of reference?

Mr. Hamilton: I am sorry, Mr. Chairman. This was the answer to one of several questions, and was recorded in *Hansard* of April 27 last, at page 2643.

On another occasion in answer to a question, the minister indicated we should wait until the prices were lower. This is my point, Mr. Chairman. It is in our interests to get the sugar prices to the producers raised, and without holding me to precise percentage points I would point out that the average wholesale price of sugar over the last 30 years has not been much higher than 2½ cents per pound to the producer. If we gave them 5 cents as a floor, then we could ask for a maximum of 8 cents a pound. We could save ourselves the high prices which we paid last year for sugar, and the producers would be guaranteed a fair basic income.

This theory should apply to all staple products—not just foods, but to products such as cotton, tin and rubber. My point is that international commodity agreements must be pushed by Canada, first of all not on our products because we are doing all right particularly with our big markets like wheat. We have no intention of forgetting the other products, but first of all our attack should be on commodity agreements for newly developing countries. We should deliberately say to them that we are prepared to pay a higher price, and let Mrs. Plumptre write all the briefs she likes.

We are concerned with raising the living levels of people all over the world, and the Canadian people will gladly pay 2½ cents or 3 cents a pound more for sugar to make sure these countries have decent living standards. In return, all we ask is protection against these great fluctuations in price. I heard the hon. member for Danforth suggest that about 90 per cent of our people are consumers, and I say 90 per cent of our people will join us in that type of program, not because it helps us financially or because we will be able to sell more products to these other nations, but we will have a better feeling and can look ourselves in the face with greater confidence than we can with this present attitude.

My second point is that with the great proportion of the earth which is now organized into developing countries with new governments, most of them are going to be forced by necessity to have state trading operations. Therefore if we can suggest some way by which these state trading countries can jump across the barrier to our private enterprise countries it would be a great help to them. At the present time only a few of the state trading nations are doing a good job of selling in western industrialized countries. Some have learned all the vagaries of our trade patterns, but most of them need help desperately.

There is in existence an example of a type of agency that would help these newly developing countries, which are just barely learning to govern their own affairs, and which have not the time, money or know-how

to get out and develop a selling organization with 10,000 agents throughout the world. We have 10,000 people wanting to buy from them, but they have no single person with whom they can deal. I suggest we use the precedent of the great international trading companies which operate so successfully in the grain field, as well as the experience of our own Canadian grain companies. We should ask these companies to expand into other things that can be graded, shipped and stored, thus helping state trading nations which do not have the necessary mechanism. They would help them not only with their 10,000 agents, but these companies, with the great electronic computer brains they have available, can collect all the information necessary and know instantaneously what is happening with the smallest single sale.

This is not a matter of just dreaming. I have been in contact with the international companies dealing in grain and they are interested in this proposal. It is necessary, however, to persuade the state trading nations to get a grading system the world can accept, and to get their products into a form in which they can be stored and shipped, because these are the methods of modern, electronic sales.

The third suggestion I want to make is that we in Canada, and other industrialized nations, are going to be forced by the facts of necessity to give up our pride, and form purchasing boards which can go to individual nations that have a single selling agency and deal directly with it. On some types of products this will not be necessary, but on other types of products I can see no possibility of operating, except through purchasing boards. I do not want to take the time in these short remarks to outline the problems of that type of program, but it has to be considered.

My fourth suggestion is that more and more companies are going to have to use the combines amendment we passed in 1960 to allow companies to combine for export purposes. This is something we already have, but I suggest it in a slightly different connotation, so that any number of companies can form any number of combines. I take for example newsprint. We know the difficulty a state trading country has in dealing with us when it wants X number of tons of newsprint, because Canadian exports of newsprint are tied up with the United States or some other country. If our newsprint companies could take advantage of existing legislation, which was passed by the previous administration, and went into a combine, it would not be hard for them to get long term agreements, with the help of the minister and his department.

My fifth suggestion is also new. It is very clear that to maintain the rapid movement of goods between these new countries, and between them and the industrial countries, we are going to need some form of world trading bank. For many years ahead I am sure much of the trade will have to be on short term, medium term—and in view of the announcements of the last few months—long term credits. It will facilitate things a great deal if we can have a bank to handle that paper and move it around more rapidly so as to complete the deals more quickly and conveniently.

My sixth suggestion is a major one. I have just about five minutes left to deal with it, and so I can only touch on it, although I intended to emphasize it. It is now very clear that governments are feeling their way toward new concepts of bargaining. We have had this exemplified in the question of automobile parts between the United States and Canada, and more recently we hear rumours of some type of deal being talked about in relation to automobiles as a whole—and why not? Surely the experience of the last 10 or 12 years in tariff negotiations has shown there is not too much promise of change there; but if two countries can see some good in making a deal on a certain group of products, like iron and steel, why should they not make some sort of deal?

One of the odd things is that these deals sometimes come about without too much government interference. We have precedents for this, of course. Everyone remembers that Mr. R. B. Bennett negotiated a trade agreement with the United States between 1932 and 1935, an agreement which Mr. Mackenzie King signed two or three weeks after he came to power. It related to machinery made in the two countries, but originally automobiles were included. Even then it was recognized that the two economies were inter-related and that it was irrational, for example, for General Motors to have factories in production on each side of the border. This is not a new concept. Today we are still moving to realize it in a piecemeal way. I suggest that the best brains in Canada should be directed toward examining the techniques of setting up deals between countries based on growth rates. This is not a new idea, either. The O.E.C.D. accepted this principle in 1961 when it adopted 5 per cent as being the minimum growth rate. The former government

met with officials of the Kennedy administration in 1961 and this question was discussed informally at that time. The Americans were not ready to proceed, then. It was not until 1963 that we had our answer publicly in the form of a statement by the secretary of the interior, Mr. Udall. He made a statement in the fall of that year that the United States were willing to discuss with Canada a general policy of pooling resources. But no answer came from the present government. I can only conclude that either this government did not understand the significance of what Mr. Udall was proposing, or that they were so set on keeping this pattern of the past—so set on following a path leading in the wrong direction, that they could not understand that a new administration in the United States was trying to interest what was then a new administration in Canada in a new concept of growth based on the principle—and this is the reason behind the suggestion as far as Canada is concerned—that if you have a comparative advantage it is a good deal to go in and offer that advantage in any bargaining session.

We know that because of the energy and natural resources available to us we can manufacture automobiles and many steel products cheaper than it can be done in the United States. We have all the basic ingredients of success in this field. Why does not United States capital come in to build the plants? The reason is obvious: They never know what their own government is likely to do when they try to send their products back into the United States. The Americans know they are likely to run out of iron by 1975 or 1980, not taking into account the new finds of ore in Alaska. They would like access to our stable supplies of iron. We could supply them part of our iron for the next 30 or 40 years and guarantee them a suitable deal. We, in return, want a faster growth rate in processing than we have at present. At the beginning, progress is slow but over the years the percentage climbs and we can visualize in 20, 30 or 40 years, equality with our neighbour. Why should there not be that equality? We have the energy and we have the resources. The capital will certainly move around, provided we get rid of the present Minister of Finance. Given equality in taxes and the movement of money we could hold our own with any country in the world; we could move into the world pattern with lower costs and a better chance of selling. If any hon. member doubts this, let him read the Paley report in the United States of 1952, and the latest report entitled "Resources for America's Future" dated in April, 1963.

[Mr. Hamilton.]

I have to agree with the minister that we must go all out and negotiate in GATT—the biggest bargaining table over pennies the world has ever seen. But to me, coming from an agricultural background, it is like putting your best hired hand to milking a dried out cow: You must put him on it because it is very difficult to get milk out of her. But look around and you can see miles of green pastures full of heifers newly freshened. That is where the milk is. Let us get cracking and go where the milk is.

I could go on to deal with a lot of other related matters but I think I have made my point.

Mr. Herridge: I followed the remarks of the previous speaker with a great deal of interest. I was much taken by his down to earth approach. The hon. member is one whom I consider as being a countryman with a lot of common sense in his attitude. He demonstrated this when he was a minister in the former government. However, I must be very careful before saying any more in that direction.

I do want to say I appreciate the courtesy shown by the Minister of Trade and Commerce when dealing with questions I have brought to his attention. I recognize his ability and keenness—and when an old socialist says that of a man who is, ultimately, a free enterpriser, he is going a long way. But I give credit where it is due from my point of view, and I recognize also the good work the officials of the department have been doing both in Canada and abroad.

From correspondence I have received and from what I know, I think everything possible should be done to upgrade the importance of our trade commissioners overseas in their dealings with countries abroad and with private interests in those countries. I think that throughout the years there has been a tendency in some quarters to look upon trade commissioners in the same way as my mother looked upon shopkeepers, that is, to feel they were not as important as were some other people. I do think everything should be done to upgrade the importance of our trade commissioners, in view of the great value of their work to the Canadian economy.

Before proceeding to make a few other remarks on the subject of trade I wish to say that I support wholeheartedly the suggestion made by my hon. friend from Dan-

forth, particularly with regard to the need for a department of consumers. I trust the minister will give those suggestions serious consideration because I know that coming from a member of this group they were made on a strictly non-partisan basis in the best interests of all concerned.

I was particularly interested in his reference to the necessity for "truth in packaging" legislation. We were told that such legislation is in effect in the United States and I think it is greatly to be desired. Only two or three days ago a clock came into my hands. It had been sold or given away in return for coupons by the I.G.A. stores in Ottawa. This clock came enclosed in a carton about eight inches by 15 inches and in large letters across the side of the carton the words "Made in Canada" appear. The letters are at least an inch high. But if you take the clock out of the carton and look closely, in letters you almost have to use a microscope to read, on the bottom of the clock, appear the words "made in the United States". I think this is thoroughly dishonest packaging, and I believe there should be some legislation to protect the Canadian consumer against this type of deceit. This instance was brought to my attention by a consumer in Ottawa who was most indignant, because at the time of the transaction he thought he was getting a clock made in Canada.

I wish to make a few observations about our trade balance with Great Britain and the prospect of improving it from the point of view of the British as well as ourselves. We all realize the situation which exists with regard to our trade deficit, our deficit balance in dealings with the United States. The reverse is the case with regard to our balance of trade with the United Kingdom. I have always been of the opinion that we could do more in this respect, not in a large scale way but particularly with reference to the products and services which smaller organizations have to sell.

Because of my interest in this aspect I did inquire into what had been the result of a venture made by a relatively small company, compared with the large corporations we have in this country, which had come to Canada after being interested by some of our officials years ago. I am referring particularly to Gestetner (Canada) Ltd. I believe there is a possibility of interesting larger numbers of this type of British firm to locate in Canada. The activities of this company have been of great benefit to the Canadian economy since their arrival. I want to bring to the minister's attention that this company came to Canada, after the possibilities of the market were directed to their attention by some of our people, in November, 1924. They formed a Canadian subsidiary of the English company and opened a small store, I understand, in Toronto. Then they began plans for selling in the eastern Canadian market, and later throughout the whole of Canada. They have expanded until at the present time they have 19 branches operating in Canada and a staff of over 500 people. These employees are concerned with direct sales and service amounting in Canada alone to over $3\frac{1}{3}$ million.

All these Gestetners are imported from Great Britain; they are sold in Canada and they are serviced in Canada. This company has continually expanded because it sells an excellent product. But the point is, Mr. Chairman, that all the profits of this company have been plowed back in reinvestment in Canada, which I think is the sort of thing that assists the Canadian economy. I know that in terms of the very large companies dealing with our natural resources, and so on, this is not a large company; but I do think there is an opportunity to interest more of these companies in Great Britain to establish similar branches in Canada in order to assist the British people with the marketing of their goods and to lessen the gap, shall I say, between our sales to Great Britain and our purchases from Great Britain.

The company has had excellent relationships with its employees; it has an excellent pension plan, and so on. Its policy is to sell first class products and provide first class service, to plow all the profits back into expansion in this country and the improvement of the firm's operations. As the result of this policy, this company which started in 1924 is worth over 200 times what it was at that time.

I give this one illustration, Mr. Chairman, because I was interested in seeing how this type of company developed in Canada and what possibilities there were for the development of similar companies. I do urge the minister and his officials to give some consideration to cultivating particularly what I consider to be a fertile field in this direction, because the British manufacturers produce some very excellent products, in many respects similar to those produced by the company I have mentioned, namely Gestetner (Canada) Ltd.

[*Translation*]

Mr. Lessard (Lake St. John): I have some very brief comments to make in connection with the estimates of the Department of Trade and Commerce, and I especially want to raise a point mentioned yesterday, or Tuesday more precisely, by the hon. member for Burnaby-Richmond (Mr. Prittie) with respect to sanctions some American groups would like to see imposed on the Canadian aluminum industry so that it would not be as competitive on their markets as it is now.

I raise this point because I consider that the aluminum industry needs, just as any other sector of industry, a reasonable measure of assistance from the Canadian government. The day before yesterday, when this question was raised, the minister answered rather briefly and said that the government had made representations to the American authorities on this matter. He did not use exactly these words, but when asked the following question:

> Has the government made representations to the government of the United States regarding proposed changes in tariff duties on certain classes of aluminum products imported into Canada?

He answered:

> Yes, Mr. Speaker.

I feel, consequently, that this government is aware of the problem which we face at the present time and has made recommendations in this respect. The minister must be aware of the importance it has for the Canadian economy particularly in the provinces of Quebec, Ontario and British Columbia where those aluminum plants are located. In the Saguenay area particularly, if there were some kind of embargo or an increase in tariff on aluminum products exported to the United States, it would be a harsh blow for the economy of my area, since for all practical purposes the Saguenay area relies almost exclusively on the aluminum and pulp and paper industries to keep up its economy.

I believe our minister of commerce gets through a lot of work, but when he speaks later, I should like him to tell us what he has done to prevent the Americans from carrying out this threat against the aluminum industry of Canada.

He will have to take into consideration that this Canadian company is probably our largest international company, and I believe that we are justified in being proud of it since it has subsidiaries in almost every part of the world. It acts as a very good ambassador for Canada abroad, through the exchanges of its Canadian personnel and that of its subsidiaries all over the world.

I believe it does a very good job, which promotes better understanding between the various countries and automatically helps to restore the economy of some countries. I have in mind the facts I personally witnessed while working for Alcan, where numerous engineers from underdeveloped countries were also working to complete their technical know-how and to go back later to their own countries in order to operate Alcan plants there. I think it is the duty of the minister, and mine also, to raise this point.

Should that come about, it would deal a heavy blow to the Canadian economy; to our trade balance with the United States, since 60 per cent of Alcan's sales of semi-fabricated aluminum products go to the United States, representing about $1 million annually. Surely the minister sees the danger and I hope he will do everything he can to make necessary representations in this regard.

Mr. Chairman, the hon. member for Qu'Appelle (Mr. Hamilton) dealt a moment ago with the problem of the automobile industry. I would like to go one step further and discuss the problem facing the Canadian automobile industry and arising out of the control of that industry by American parent companies.

Last year this government through the Minister of Industry (Mr. Drury) introduced a program to increase the percentage of parts made in Canada and going into the manufacture of automobiles. But, in my opinion, we have before us a glaring example of the urgent need to rapidly increase the percentage of parts going into the manufacture of automobiles sold in Canada. What we need in Canada is automobile parts which are 100 per cent made in Canada.

There is a strike going on at the plants of General Motors in the United States and we find that Canadian subsidiaries of that company in Oshawa are also affected. As a matter of fact, it is reported in the press today that more than 5,000 Canadian workers are now idle because of a shortage of parts on the assembly lines. I think that is conclusive evidence of the growing need for the Canadian automobile industry to become 100 per cent Canadian and, therefore, independent from the United States industry.

In the past some Canadian industries were denied the right to export their products to other countries because they had to yield to the policy dictated to them by the American parent company. I think the Americans are

quite wrong in maintaining such a situation in the automobile industry, because to my mind they should realize that the Canadian market is now large enough to justify 100 per cent Canadian production and the officials of the Department of Trade and Commerce who are in close contact with their American opposite numbers should strive to make them accept the Canadian point of view and realize that such a situation, to a certain extent, is the cause of some of the prevailing grievances against the Americans.

While the United States is a very powerful neighbour that we respect they must also respect our country's economy and in allowing such a situation to prevail in Canada, I think they are doing a disservice, not only to their own country, but also to Canada. If the Americans wish to maintain in Canada manufacturing plants under their control, they will have to allow them to export to the United States without cost. Indeed, I trust that the agreement the Canadian government is hoping to sign with the American government in order to remove tariff barriers on Canadian exports to the United States will be a success and, as far as I am concerned, I would support the complete removal of such tariff barriers between Canada and the United States.

I admit that some industries will perhaps be affected, but on the other hand, I am aware of the fact that this would help the establishment of many other industries which would be able to expand and be more competitive on the American market.

Mr. Chairman, there is also another matter I wanted to discuss. I have in mind the publicity that the Department of Trade and Commerce is supposed to give to Canadian products.

We all know that the Department of Trade and Commerce is very much interested in the sale of wheat. Of course, it is important for the department to do so, because wheat is a most important product. It is interesting to note that we can ship this product abroad and have Canadians take advantage of the operation, but on the other hand there are other sectors of Canadian industry which need help. I wonder if the officials of the Department of Trade and Commerce strive as hard to find markets for farm produce other than wheat.

For instance, we have the problem with respect to cheese production. That industry is now faced with a rather difficult problem, especially in eastern Canada.

For many years farm production in eastern Canada was looked upon as limited to dairy products used in the manufacture of powdered milk and cheese.

In my opinion, it is a mistake to a certain extent, to force our farmers to change their type of production, ostensibly because there is no longer any market for the kind of dairy production in which they were engaged in the past.

As a matter of fact, there is a great deal of evidence in support of the contention that the demand for dairy products will be increasing, like that for all other products, for that matter and I believe that we must promote the dairy industry so as to provide for the needs which will increase proportionately.

In my opinion the Department of Industry should strive to find and secure a market for Canadian cheese in various countries. I know that England is one of our good customers as far as Canadian cheese is concerned, but when we look into the possibility of producing this commodity we cannot but conclude that we have still a long way to go.

A great deal could be done to stabilize the farm industry in eastern Canada, if a market could be found for cheese and for other dairy products.

It is a well known fact that Canada produces a high quality cheese, and I am of the opinion that the officials of the Department of Trade and Commerce should do the promotional work required. In a word, they should be the salesmen needed to find the markets required for this product.

Mr. Chairman, there is another point I would like to deal with. It has been discussed often, but for a while it seemed to have been overlooked. The problem with which this industry is faced is a very difficult one, inasmuch as this industry was established in Canada many years ago.

Several of our Canadian spinning-mills forgot or neglected over the years, to modernize and now they find it difficult to compete with the production of other countries, particularly of Japan.

The textile industry employs a great number of workers, and the federal government should grant it very special attention.

I know that the minister must take into account existing international agreements and that he must avoid protecting any individual mill, because that might inspire the leaders of the countries to which we export to enforce certain restrictions.

But considering that the textile industry employs many workers, I think that it is an industry which especially deserves the minister's attention and when he or his officials

go to Japan, for instance, to discuss with their Japanese colleagues, the desirability of increasing Japanese exports in Canada, I think that they should bear in mind the serious implications which could result from any increase of Japanese exports in Canada, so far as textiles are concerned.

There are two major factors, in my opinion, which should be taken into consideration with regard to the identification of imported products. There is certainly a deficiency in that respect. If the Canadian people could more easily ascertain the origin of the products, I think that with a proper educational campaign, they could be convinced to buy Canadian products instead of imported ones. In brief, if the trade mark or the identification of the imported product were clearly shown, I think it would greatly encourage Canadians to buy more goods made in Canada, as they would realize that they are thus helping to provide employment for their fellow countrymen.

Such are the comments I wanted to make and the points I wished to bring to the minister's attention in this connection.

I trust that when the minister takes the floor a little later on he will give me an answer to the various aspects peculiar to the aluminum industry that I have brought to his attention.

[*Text*]

Mr. Woolliams: Mr. Chairman, in rising to take part in the debate on the estimates of the Minister of Trade and Commerce, I think it only fitting to refer to some of the remarks made by the member for Qu'Appelle, the former minister of agriculture, who set out six points in reference to trade in this country which should be taken very seriously by the minister.

Perhaps I do not need to say this, because it has been said on many occasions, but Canada is always in the unique position of being a country with surpluses, whereas most countries of the world are countries with shortages. Our problems are always related to surpluses, whether we are dealing with grain, petroleum or coal. At the present time, as well as in the past, we have difficulty competing in so far as our surpluses are concerned, and we must compete because without trade Canada would fail. I should like to direct my remarks particularly in respect of two industries in Alberta, which I am sure the minister has considered. I refer to the coal and petroleum industries.

I do not wish to spend much time talking about the coal industry in Alberta, because I have spoken in this regard on several occasions in the House of Commons, but I do wish to point out several things. It is a well known fact that the production of coal in Alberta and throughout Canada is declining because of competition with the natural gas and other petroleum products industries. Canada has one eighth of the entire coal supplies of the world and there was a time in the history of this country when people in the coal industry felt we were exporting too much coal because we were likely to run short. I might say this is the same attitude now taken by a great many people in respect of the natural gas industry. I wonder what those people would say today about their attitude toward coal exports. On one other occasion I said that we in Canada went to bed with our coal, and if we continue our present attitude we may well have to go to bed with some of the natural gas in this country.

For many years in Alberta I have advocated the export of not only coal but of natural gas. The only substantial market left in the world, as far as we are concerned, for the sale of our coal, is the Japanese market, and it is interesting to note that the only way we can maintain our position in the sale of coal to that market is by paying a subvention on the per ton shipment of coal. It must seem strange to individuals engaged in the coal industry that we have to use taxpayers' money to help this minor resource compete. There are two sides to that story. We must always remember that by paying a subvention we not only help this industry compete in world markets but also provide employment for miners.

The matter of coal subventions has been before parliament on several occasions and is the subject of a number of orders in council. Perhaps I may be allowed to review these for a moment. On December 5, 1939 the subvention on coal for sale to Japan was $1 per ton. In 1949 the subvention was $1 per ton. The subvention remained at $1 per ton until 1957 when, on July 22, it was increased to $2.25 per ton. On April 9, 1958 by order in council the subvention was increased to $4 per ton. In 1959 it was increased to $4.50 per ton. On April 2, 1962 the subvention was reduced to $3.50 per ton, and on October 25, 1962 it was further reduced to $3.15 per ton. One can readily see that subventions are necessary in respect of this industry, not only to assist it to compete, but to provide employment for miners. An increase in trade is naturally followed by an increase

in employment, but I am sure hon. members from the maritimes would agree with me that even during boom periods in the rest of Canada there is somewhat of a depression there and in other coal producing areas, because it is a seasonal industry.

We have been able to increase our coal exports to somewhere between 700,000 and 800,000 tons. Last year I think the export of coal increased to 845,000 tons while at the same time the subvention was lowered.

Mr. W. C. Whittaker, the president of the coal operators association of western Canada, suggested that the industry would benefit from a reduction in transportation costs. We have talked in this house a great deal about rail abandonment. I suggest that we must work through the Department of Transport, in conjunction with other departments, to organize our transportation facilities in such a way that transportation costs can be reduced. Mr. Whittaker made a speech last month at Lake Louise, Alberta, which was reported in the Calgary *Herald,* and I should like to refer briefly to that speech. He was referring, as I said earlier, to the reduction of transportation costs, and I am sure everyone will agree that if such a reduction was followed by a reduction in subventions on coal, it would be to the advantage of the coal operators of Canada and the taxpayers as a whole. In such event perhaps the coal industry in Canada would be able to compete with the Australian coal industry, which is one of the largest suppliers of coal to Japan. Mr. Whittaker said at Lake Louise that unless the present rate of $6 per ton cost for railroad transportation and ship loading was reduced to about $4.50, coal exports could well pass out of the picture in Canada.

I should like to congratulate the minister upon his fair handling of subventions on coal. Everyone has paid him a compliment today about his opening remarks, and I should also like to be in that positive position. The export of coal from Canmore and the Crowsnest pass may well range this year from 900,000 to 1,000,000 tons. That increase in exports would create an increase in employment in those areas. Mr. Whittaker suggests that we must cut transportation costs from $6 per ton to $4.50 per ton. I remember when we not only exported more coal but used more coal for home consumption, and at that time the coal was being transported on mixed cargo trains. With our streamlined transportation industry of today coal is moved in trains strictly limited to the transportation of coal. I am sure the transportation industry would be delighted by an increase in the production in coal transportation. Serious consideration should be given to some method of cutting costs of transportation so as to help the Canadian coal industry compete for the Japanese market, which would naturally be followed by an increase in the amount of coal transported by those railway companies.

When I was in Japan in 1958, with an industrial firm rather than in connection with my duties as a member of parliament, I was talking with one of the major steel manufacturers of that country who told me that the difference of 10 cents to 20 cents in the cost of coal per ton would have a serious effect on their decision as to where they would buy a particular kind of coking coal. Ten or 20 cents does not seem to be a great deal of money, but when exchanged for Japanese currency in Japan it is indeed something to be considered.

In this regard Australia has been able to outdo us in competing for the market and that is the reason we have had to keep the subvention as high as it has been. It was the Conservative government that established the subvention. The minister has admitted that many of these programs were initiated by the Conservatives and have been carried on by the present administration. When we established the subvention we opened up a market for this coal. They now know in Japan that we have good hard, bituminous coal mined in the mountains. Our quality and kind of coal can compete with any other kind of coal in the world. Therefore when we open up a market we can then cut down the subvention and cut down the cost to the taxpayer. So this does prove that this method is the way to open up avenues to get trade. Maybe this is what the hon. member for Qu'Appelle meant when he was dealing with those countries where they do not have as high a standard of living, and suggested that we should open up avenues of trade so that in future they will be able to compete with the more wealthy nations.

So the first recommendation is that we have to take a hard look at costs. The coal operators themselves cannot do anything about transportation costs. They can do something about the costs of mining. I might say to the minister, and I do not say this in too critical a way, that when I first went to the Canmore area in the foothills of the Rocky mountains, and right in the Rocky mountains, unemployment was rampant everywhere. Up to that time this coal had been used by the railways, but with auto-

mation they changed to petroleum and all these miners were put out of work and the coal operators were placed in an almost bankrupt position. When you think that in one coal area of Alberta there were 20 mines at one time, I believe, and today there are only two left you can see the importance of this matter.

Once again, with the scientific developments that are taking place and the by-product commodities that may be made out of coal we never know when coal will become more important. It is well within the imagination, and I said this eight or nine years ago I believe, that some day coal will be processed at the minehead, piped like natural gas across the country and will compete with natural gas. Nylon stockings and many other things can be made out of coal and I say the coal industry is a long way from dead. During the period of transformation this government, because it is their responsibility just as it was our responsibility when we were in office, has to keep these mines operating. We assumed the responsibility of keeping them alive and, if Mr. Whittaker is right, unless we can cut the transportation costs it is impossible to compete even with the subsidy as it is today.

An hon. Member: And loading costs.

Mr. Woolliams: That is true, off the docks. As I pointed out, one of the great steel producers of Japan said that a difference of 10 or 15 cents a ton decides where they will buy this product. The minister may run into something I have encountered when he goes to Alberta. He will find that our Social Credit friends will stand on the platform—I see they have looked up immediately—and they will blame—I cannot use the word in the house I should like to use—all governments because we import coal into Canada. I got the latest figures today from the coal board, and in 1963-64 we imported 13,880,000 tons of coal. When the Conservatives came into office Canada was importing some 20 million tons of coal. I think that is correct because I have made speeches on that point before.

Because of the policies implemented in the maritimes and, of course—I want to be fair in this regard—because of the competition of natural gas in the large urban centres of eastern Canada we have been able to cut down our coal imports. But there is one great fiction always uttered in western Canada and you have to explode it at least once a year before it gets away on you. The Social Crediters will stand on the platform, especially in the soft coal areas where people are out of work, and blame everybody but themselves. The former minister of labour came to speak in my riding and he said that the worst thing he had ever seen was the living conditions in the East Coulee, Rosedale and Nacmine areas around Drumheller. He said he had never seen worse poverty than in this soft coal mining area.

These Social Crediters send speakers down there and they say that Canada is importing coal and that is the reason the miners are out of work. This is a fiction. The coal we bring into Canada is hard bituminous coal and the coal that is mined in the Drumheller valley is sub-bituminous, soft coal which is not suitable to be used for the same purpose for which the imported coal is used. The coal mined at Canmore and the coal mined in Nova Scotia are similar in energy and quality. This kind of fiction probably wins votes at the right time, but it causes a lot of headaches which people have to try to iron out afterwards. I believe this myth has now been exploded but I have heard it on many platforms. That particular coal is domestic coal and is not the kind of coal I am talking about.

I want to complete my remarks in that regard. We in Alberta are interested in the export of coal to Japan. We are interested in the export of coal from the Canmore and Crowsnest areas. A subvention was necessary to open that market, and to be able to keep it we must cut transportation and loading costs wherever we can. I would ask the minister to give this matter serious thought. If he really desires, and I believe he does, to carry out the important program in this regard that was started by the Conservative government, this is one thing that must be looked into if the program is going to survive.

I want to say something about another industry which is in competition with coal. I suppose one might say it is very difficult to talk about both industries at the same time when they are in competition with one another, but we have to be realists. They are in competition, and I must say that in many ways the natural gas industry has been able to undercut the costs of the coal industry, and that is one of the reasons for the problems of the coal industry.

I am glad to see that the minister does not belong to that school of thought—I know he does not—that used to prevail in Alberta, the Prowse school of thought under which the provincial Liberals at that time opposed the export of any natural gas because they

were frightened there would not be enough for use in the foreseeable future, or enough today. The Conservatives set up the national energy board, and I want to say something about that.

If I may review the situation first, up to 1957, I believe, very little natural gas was exported. One of the promises in the 1957 election which I heard the Leader of the Opposition make was that when elected the Conservatives would set up a national energy board. That promise was kept. It was a good promise and a good program. It is interesting to note that in 1959 we exported to the United States $16.5 million worth of natural gas. In 1960 it increased to $22.9 million, in 1961 to 40.6 million, in 1962 to $87.5 million, and in 1963 it almost reached the $100 million mark, or $93.8 million. The departmental officials have projected the increase. I know I am not breaking any confidence because they are always available to give expert advice if you seek it. I have had the best of co-operation from the experts in these departments. The officials hope that it will increase by another 9 per cent.

What does all this mean? With the imbalance of trade between the United States and Canada, and still worse the imbalance of dollars between our two countries, this dramatic step in exporting gas has helped bring about a balance of payments. The Department of Trade and Commerce alone cannot solve the problem, but with proper government policy, and working in conjunction with the Minister of Finance, every means of encouragement should be given to those people who form companies to build pipe lines to export natural gas, from Alberta, Saskatchewan, British Columbia or whatever other area produces it.

The Borden commission was set up by the previous government, and from it and the reports emanating from the department, and from the Canada Year Book we have learned we have enough guaranteed natural gas in Canada for energy uses, not only for industry but also for domestic use during the next 30 years. If we continue to export it and if the Canadian consumer market increases, then of course we will get more exploration. At present exploration is taking place in the Northwest Territories where there have been some large findings, and now that the C.C.F. government has been defeated in Saskatchewan some natural gas may come to light that has been kind of tapped off in secret from the public.

Mr. Knowles: Five o'clock.

Mr. Woolliams: I knew that would bring some life to the hon. member. Previously when I was dealing with certain benefits in income tax concerning pipe lines I said these benefits should be extended to other pipe lines. I believe there is still enough private enterprise spirit left in western Canada that if people could only get income tax benefits they would form new pipe line companies and invest Canadian money in exploration for natural gas and petroleum products, when there is a demand for them.

Mr. Knowles: Five o'clock.

Mr. Woolliams: Aren't you interested in energy?

Mr. Knowles: My hon. friend seems to have lots of it, but is it not five o'clock?

The Chairman: Since it has been called five o'clock it is my duty to leave the chair in order that the house may proceed to the consideration of private members' business.

Progress reported.

Mr. Deputy Speaker: Is there a suggestion that the house should suspend the hour for private members' business?

Some hon. Members: No.

Mr. Deputy Speaker: It being five o'clock the house will now proceed to the consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), and public bills.

PRIVATE BILLS

BELL TELEPHONE COMPANY OF CANADA

The house resumed from Thursday, October 1, consideration in committee of Bill No. S-27, respecting The Bell Telephone Company of Canada—Mr. Brown—Mr. Lamoureux in the chair.

On clause 1—*Number of directors.*

The Chairman: When the committee last adjourned we were considering clause 1 of the bill with an amendment thereto proposed by the hon. member for Timiskaming. Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, we are discussing Bill No. S-27, an act respecting The Bell Telephone Company of Canada and the amendment submitted by the hon. member for Timiskaming (Mr. Peters) to the effect that if five new directors were added to the Bell Telephone Company, three would be appointed by the federal government.

I consider the amendment to be very sensible. Seventeen would be appointed by the shareholders and three by the government.

Some members may ask why should the government intervene? Needless to say it is not a matter of nationalizing the Bell Telephone Company, for in that case I would object for several reasons. First of all, I must say that the Bell Telephone Company is giving good service to the Canadian citizens at the present time. Anybody who wishes to have a phone can get it and in no time at all. The rates are not too high, except perhaps in the case of long distance calls. Moreover, I see two great benefits deriving from the fact that the Bell Telephone Company is a private enterprise. First, its services are tax-free, as far as the people are concerned. We are accustomed to the deficits, often substantial ones, shown by the majority of the crown companies and which are at the expense of the taxpayers. I suggest then that to have a nation-wide telephone service, available to everybody, and not requesting subsidies from the government to finance their deficit at the end of the year, is something of a tremendous value to Canadians.

The second advantage, and not the least, is that at the end of the year, not only does the company not request subsidies, but it pays taxes which fill the federal treasury and enables the government to earmark more money for social security, hospitalization insurance, family allowances and old age pensions. Naturally, we should be even more pleased if we knew this money was not being spent as interest on the debt; but in any event, I have mentioned two great advantages which make it clear why the Bell Telephone Company of Canada should not be nationalized, or handed over to the state. We have seen many cases where, as soon as a company is nationalized, deficits begin to accumulate; red tape and bureaucracy take over, and we are strongly against it.

But if three members were then appointed by the government, the majority of the directors could still continue to administer the company in a normal way, that is, to make profits. We have no objections to that because, any Canadian citizen who has money available for investment, like some members of this house probably have, may invest it in companies such as the Bell Telephone Company or a pulp and paper mill company and thus assist in developing the country.

Canadian citizens should be able to invest money in their national companies and help to develop their country. If there are profits

at the end of the year, the shareholders will draw dividends, and this will prompt other Canadian citizens to make investments in other similar Canadian companies. Every time Canadian citizens invest in Canadian companies, it is a good thing, because such companies foster the prosperity of the nation.

Therefore, there would still be seven directors to see to it that the Bell Telephone Company operates according to set standards, the three directors appointed by the government being there to see about protecting public interest. What is the public interest in a company such as the Bell Telephone? It may be thought of in terms of rates. The three government appointed directors would look after the public interest, and would make sure that telephone customers can get the best service possible with the least possible expense.

Would three directors appointed by the government have enough influence on the whole group of shareholders to enable them to look after the public interest in that field? At the present time there are 15 who are businessmen, directors, men of action. Hereafter, there would be five more, including two appointed by the shareholders and three by the government.

I am wondering if the hon. member for Timiskaming (Mr. Peters) would not have been better advised to raise that percentage, requesting that five out of 20 directors, or a quarter, be appointed by other people than the shareholders?

For instance, three of those directors could be appointed by the federal government, another one by the 10 Canadian provinces after reaching an agreement, or two might be appointed by the federal government and two by the ten provinces and a fifth one by the Canadian Federation of Mayors and Municipalities since the municipalities form another public body; there are municipalities throughout Canada and they avail themselves of the Bell Telephone Company services.

If we increase by five the number of directors of that company, it seems to me that instead of suggesting action or a compromise as was done by the hon. member for Timiskaming, it would be more appropriate to suggest a good solution, by saying: These five new directors will be appointed on the following basis: two by the federal government, two by the ten provincial governments, after reaching an agreement, and one by the Canadian Federation of Mayors and Municipalities.

In that case 25 per cent of the members of the board of directors of the Bell Telephone Company would represent various public bodies. It would not amount to nationalization exactly but it might satisfy those who want better representation of public interest in a company of national importance, a company that has no competitors and, in fact, operates more or less as a monopoly.

In this type of company public interest would be more satisfactorily safeguarded if five rather than three members were appointed by the public bodies. Five out of 20 is equal to 25 per cent of the board of directors, whereas three out of 20 only amounts to 15 per cent.

So, instead of having three new directors appointed by the federal government, two would be appointed by the federal government, two by the provincial governments and one by the municipalities as a whole.

There would be then representatives from public organizations, at all levels, within a national company such as the Bell Telephone Company of Canada. This company is doing business throughout Canada on a non-competitive basis. The individual Canadian citizen, be he a member of parliament, a prime minister, an alderman or anyone else, has no choice between two companies. If there is only one set of telephone cables passing in front of your home or your office, you have to use them. In fact, there is no competition.

It is a good thing that some of the decisions taken by the directors of such a company be influenced by members of public organizations, but not entirely so, not even by a majority, for it has been proven that whenever a majority of businessmen are appointed directors of a company, we can be sure that the company is better managed than by government officials or bureaucrats.

That is why I intend to move an amendment to the amendment of the hon. member for Timiskaming, to the effect that not three directors be appointed by the federal government but that five directors be appointed by various public agencies, namely, two by the federal government, two by the provincial governments and one by the union of municipalities. It is merely a matter of substituting the figure five to the figure three.

I think I pointed out that it was a good thing that the businessmen who at present manage the Bell Telephone Company of Canada continue to do so and hold a majority of the votes in the company. However, on the other hand, they would be assisted by 25 per cent of the directors who would represent the public and see to it that the interests of every Canadian be better safeguarded whenever a decision is taken.

Mr. Chairman, this seems to be a reasonable suggestion.

If the telephone company finds that 15 directors are not enough and wishes to increase their number, it means that the company has greatly expanded and is doing so much business that 15 directors will not suffice. We are therefore in agreement, since the company itself realizes that 15 directors are not enough to supervise its operations.

But the five directors are added to the board of directors of the Bell Telephone Company, these five new directors will have to bring something new, something which does not exist at the present time within the Bell Telephone Company of Canada.

It is true that there are businessmen, but representatives of the public interests are missing.

Working for a profit is not everything—it is the purpose of any business firm, of any concern—there ought to be some directors to see to it that the public interest is looked after. I am not saying that it is the case at the present time; maybe it is. But the public interest would still be better taken care of if five directors out of 20, or 25 per cent of the company's directors were appointed in a more specific manner in order to look after the public interest, two at the federal level as I suggested, two at the provincial level, and one at the municipal level.

Moreover, it would be possible to change this formula again. This is merely a suggestion. The school boards might also like to have a representative or a director on the board of directors of the Bell Telephone Company. In that case it might be possible to introduce a further subamendment in order to include a sixth director who would represent the various school boards in Canada. In this way all public bodies in the country would be represented. We would then be sure that the board of directors of the Bell Telephone Company of Canada would better cover our citizens as a whole.

At the present time the board of directors of the company only represents the shareholders' interests. This is necessary, I admit, and we recognize that the majority of the directors must represent the shareholders. But we would also like to see all our public bodies represented in a company of this kind so that all points of view can be expressed within the board of directors.

If 20 directors are not enough, we are ready to increase the number beyond that figure so that everyone will be represented.

There is nothing—and I am sure that hon. members will agree on this point—there is nothing either to prevent labour unions also from the privilege of appointing a director to the board of directors of the Bell Telephone Company of Canada. Let us keep in mind that there are more than five million workers in Canada, five million wage-earners, most of whom are telephone users, and whenever they use the telephone they have no choice but to subscribe to the company whose cables run in front of their homes. Yet, when policy decisions are to be made, those people have no say in the matter.

Therefore, it would seem to me normal that the workers themselves be entitled to choose a representative on the board of directors of the Bell Telephone Company.

Therefore, before my time is up I would like to move, seconded by the hon. member for Roberval (Mr. Gauthier) the following:

that the figure "five" be substituted to the figure "three" in the amendment proposed by the hon. member for Timiskaming (Mr. Peters).

Thus, five members only of the board of directors of the Bell Telephone Company of Canada will be appointed by public bodies. If this is not sufficient, more can be added, so that the federal and provincial governments, municipalities, school boards and labour unions be represented on the board.

The farmers should not be forgotten either, because, unfortunately, they have no say in the matter. And they are possibly the ones who suffer most from certain attitudes taken by the Bell Telephone Company of Canada.

It is obvious that farm houses are more distant from one another than city houses, and that is why not all hamlets or farms in Canada have telephones. Now if farmers were represented on the board of directors of the Bell Telephone Company of Canada, they would be in a position, they would be in a better position to suggest to the company that telephone service be provided, not only in towns, but also on farms across the country. I think that would be of benefit to a large segment of our population, that is the farmers, just as it would be a good thing to have a representative of the labour unions.

Let us not forget businessmen. If we go into a business office or a commercial establishment and look at its telephone account at the end of a month, we find that quite a few long distance calls have been made, and that they run into quite a bit of money.

If the board of directors of the Bell Telephone Company of Canada were to include a representative of every social class, those representatives might be in a position to suggest to the management various improvements, especially in the matter of long-distance charges.

The Bell Telephone Company of Canada would benefit in many ways if all classes of citizens in Canada were represented on its board of directors.

Even then, Mr. Chairman, I am overlooking some. If some unemployed worker were appointed director, perhaps might such a person, sitting on the board of directors of the Bell Telephone Company of Canada, suggest that, during periods of unemployment, the unemployed should not be requested to pay their telephone bills. The unemployed need the telephone as much as anyone else. In cases of emergency, to call the hospital, the police or the fire department, they need the telephone service as much as any other class of society.

If there were an unemployed person on the board of directors of that company to suggest that an individual who is out of work should not have to pay his telephone bill, that again would be beneficial to society. It would be another benefit among all those which the Canadian people are getting from a company such as the Bell Telephone Company of Canada.

I may have overlooked other benefits, but I begin to realize that for the Bell Telephone 20 directors would not be enough—

The Chairman: Order. The hon. member for Lafontaine would like to direct a question to the hon. member.

Mr. Grégoire: Very well.

Mr. Lachance: The hon. member—

The Chairman: Order. Before the hon. member puts his question, I must inform the hon. member for Lapointe that his time has now expired. Therefore no question can be put to him without the unanimous consent of the house.

Some hon. Members: No.

Some hon. Members: Yes.

Mr. Grégoire: Mr. Chairman, I have the unanimous consent of the house.

The Chairman: I am sorry, but the hon. member did not get unanimous consent of the house.

Mr. Grégoire: Mr. Chairman, it seems to me I have heard "yeas" to the effect that I had unanimous consent.

The Chairman: Perhaps, but the Chair heard objections to unanimous consent.

Mr. Grégoire: Mr. Chairman, there was no objection on the part of the Liberals.

The Chairman: Order. It is proposed by the hon. member for Lapointe that the word "five" in the amendment be substituted for the word "three".

Is the committee ready for the question?

[*Text*]

Mr. Howard: Mr. Chairman, I just wanted to say that I do not think it really matters whether it is three out of 20 or five out of 20 in so far as the difference between those two numbers is concerned. The principal point of having some representative of the general public on the board of directors is well worth while supporting.

The Chairman: Is the committee ready for the question?

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I ask the hon. member for Skeena (Mr. Howard) to repeat his remarks, which I did not hear very well since my earphone was not properly adjusted? May I ask him to repeat his remarks, which seemed to the point?

[*Text*]

Mr. Howard: I merely said, Mr. Chairman, that in essence it does not really matter whether it is three out of 20, or five out of 20, or four out of 20, or some other number or percentage around that figure. The principal point that we should concern ourselves with, which initially was raised by my colleague from Timiskaming and which we have been dealing with for many, many years as a political party, is that the general public should somehow or other have some say in the internal operations of a public service utility such as Bell Telephone.

[*Translation*]

Mr. Grégoire: Mr. Chairman, may I say that I believe that in committee of the whole I am entitled to speak again on this subject and to qualify my idea. I shall then explain further my opinion, for the benefit of the member for Skeena.

I agree with the hon. member for Skeena that it is not necessarily the figure three or the figure five that counts. What matters is the principle that there be also representatives of public bodies.

In my opinion—and I believe the hon. member for Skeena shares such views—there are many public bodies which would benefit from some representation within the Bell Telephone Company of Canada: the decisions taken might be improved and the interests of the various levels of society better protected.

I suggested five directors out of a total of 20, but perhaps I should have suggested even more, for I would also like someone to represent the federal government on the board of directors of the Bell Telephone Company of Canada. I just gave that figure as an example because the provinces and municipalities should also have a say at board meetings. In other words, the three levels of government should each have a representative. In addition, I should like the labour unions to have a representative and, as I said a moment ago, the farmers should also have a voice; they may be the class of people where one finds the highest proportion of citizens who are deprived of telephone service on account of the fact that farms are too far from one another.

I further stated that a director should speak for the unemployed since such a person could suggest that an unemployed subscriber should be exempted from paying his telephone bill during the time he is out of work.

Then, it requires more than the three directors mentioned by the hon. member for Timiskaming in his amendment. But I stated clearly that I want the majority of directors to be representatives of the shareholders of the Bell Telephone Company of Canada, because they must administer the savings of those people. It must not become a state-controlled corporation, but remain a company managed by a majority of directors representing the shareholders.

However, it would be helpful to have, in addition, representatives of all public bodies so that they could bring forward their views, as well as those of all classes of Canadian society.

Some hon. Members: Question.

Mr. Grégoire: Mr. Chairman, if I may be allowed to finish my comments, I would draw attention to the fact that, when I was listing the various social groups that could be represented within the Bell Telephone Company of Canada, I mentioned five directors appointed by public bodies but I unfortunately forgot to mention those who would be appointed by various social groups which should also be represented on the board of directors of the Bell Telephone Company.

If the amendment and subamendment are adopted, it would then be probably appropriate to ask that the number of directors of the Bell Telephone Company be increased not from 15 to 20, but from 15 to 25, as an increase from 15 to 20 would allow for representation of the public bodies, and that of 20 to 25 would allow for representation of the various social classes of Canada.

This is very important, and I should like to point out that, when all the social classes in Canada shall have representatives on the board of directors of the Bell Telephone Company of Canada, every Canadian citizen will be proud of it.

Mr. Boulanger: Parish priests, bishops, the whole clergy.

[*Text*]

Mr. Brown: Mr. Chairman, I submit that the hon. member is not in order. He is not confining his remarks either to the amendment moved or to his own amendment.

Mr. Howard: On the contrary, Mr. Chairman. If that is to be considered a serious point of order may I point out that I have been listening attentively to the hon. member for Lapointe and he is precisely and exactly dealing with the number of directors to be appointed by the governor in council namely five, and he is explaining in what manner they should be appointed and whom they should represent.

[*Translation*]

Mr. Caouette: Mr. Chairman, I believe the hon. member for Lapointe is quite in order when he deals with the subamendment and the amendment calling for more directors to look after the operations of the Bell Telephone Company of Canada.

To me the hon. member for Lapointe is not making a mistake, he is not off the track; on the contrary, he is quite right in suggesting that the number of directors be increased to 25, 30 and even 35 according to need, so that all public organizations may be represented in a public telephone company.

[*Text*]

The Chairman: Order. A point of order has been raised by the hon. member for Brantford. I feel that the remarks of the hon. member for Lapointe are relevant to the amendment and to the subamendment and I would invite him to continue his remarks.

[*Translation*]

Mr. Grégoire: Mr. Chairman, I thank you, and just to show the benefits that would result from such an amendment, I think the number of directors should be increased to 25 instead of 20 and that the five new directors be appointed by the social classes. A worker would be proud to see on a telephone pole the picture of his union representative who would be a member of the board of directors of the company.

Then all labour in general would endorse the decisions taken by the Bell Telephone Company, since there would be labour representatives on the company's board of directors.

Mr. Chairman, there is another important point. If a representative of the farming community were appointed to the board of directors of the Bell Telephone Company of Canada, taking into consideration the number of telephone poles planted on farm lands, farmers would be quite proud to see a picture of their representative on those telephone poles. That would be an asset for the Bell Telephone Company.

At first sight this may seem odd, but it must be admitted that then all sections of our society would be represented within the Bell Telephone Company of Canada.

The Bell Telephone Company is a large firm which serves our entire population, and that is exactly the reason why, from Vancouver to Halifax, from the Atlantic to the Pacific, all classes of our society must be represented on the board of directors.

Mr. Chairman, I think the member for Mercier has a question to ask. If he rises, I will be glad to answer it, but if he remains seated, I will not hear the question.

Mr. Caouette: The number of telephone poles would have to be increased.

Mr. Grégoire: If the member for Mercier has a question to ask, I will be pleased to answer it.

Mr. Chairman, Bill S-27 reads as follows:

An act respecting the Bell Telephone Company of Canada.

Under this bill, we are asking:

That it be enacted as hereinafter set forth and it is expedient to grant the prayer of the said petition: Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Mr. Chairman, this shows that, to have their charter amended, the directors of the Bell Telephone Company of Canada have to call on the members of the House of Commons. They are asking us to amend section 8 of chapter 67 of the statutes of 1880.

Since they are asking us it is a pleasure today, to offer some suggestions which we

think are constructive and proper and also beneficial for the Bell Telephone Company of Canada itself.

Mr. Chairman, I agreed that the number of members of the board of directors be increased to 20. I regret that it is only 20 because I would like to see the number raised to 25, to allow for the representation of ten public bodies.

I see that the hon. member for Timiskaming is indicating that he will introduce an amendment to raise that number to 25 instead of 20. Then we shall support him, at least for the first 20 directors. When they have five instead of three, five to represent public bodies, then we can make a new attempt.

Mr. Regan: You will never get a line.

Mr. Grégoire: Mr. Chairman, I think the hon. member for Halifax (Mr. Regan) wishes to ask me a question. If he will stand up, I shall be pleased to give him an answer, but if he remains seated, he is out of order because standing order No. 5 requires that any hon. member wishing to speak must rise in his place and take off his hat—

The Chairman: May I suggest to the hon. members that they be somewhat more serious, and I would ask the hon. member to limit his remarks to the amendment and the subamendment now before us.

Mr. Grégoire: Mr. Chairman, I am convinced that when the five million workers read the proposal to represent the working class in the Bell Telephone Company of Canada, they will not look upon it as a matter of levity, nor will the farmers, the municipalities and the provincial governments. If the hon. member for Halifax (Mr. Regan) wants to ask me a question—

[*Text*]

Mr. Regan: Mr. Chairman, I wonder whether the hon. member would permit a question? In view of the fact that the company would be able to pay better wages and offer better working conditions, and I am sure they could do so if all accounts were paid, would the hon. member agree that one of the new directors should be appointed as a collector to collect all outstanding debts?

[*Translation*]

Mr. Grégoire: Mr. Chairman, later I shall move an amendment for the purpose of adding another director who would present to the board the suggestions of all citizens whose payment of telephone bills is overdue and who find it difficult to pay their telephone bills. People who cannot pay their telephone bills far outnumber those who can pay them easily. Therefore, if there is a director appointed to bring forward the views of those whose telephone bills are outstanding it will perhaps be easier to get them to pay.

I now continue the amendment of the clause so that it will read as follows: that the business of the Bell Telephone Company of Canada be managed by a board of directors of not less than five members and not more than 20 members, as may be determined by a resolution of the shareholders.

Then the shareholders have the right to decide who the five, 15 or 20 directors are going to be. We are asked to increase the number. Why limit the number to 20 when a good suggestion has just been made to add to them? The number can be increased to 25. We suggest to them 10 representatives of the social classes and public bodies.

I ask that the subamendment we moved be seriously considered by the managers, the directors and the shareholders of the Bell Telephone Company of Canada so that this company will no longer represent solely certain private interests but that, while the latter may include the majority of represented, it will become a company representing the whole of Canada, all Canadians, of whatever race, religion, language, province or social status. Then this company will be dearer to the hearts of Canadians.

[*Text*]

Mr. Howard: Mr. Chairman, I have not before now participated in the debate or study of this particular bill, but in view of the number of cabinet ministers now in attendance, and the attendance of the hon. member for Kootenay East, it is becoming obvious that this bill is about to be transferred on the order paper to a government order. Perhaps the increased interest on the part of the members of the cabinet is because they may have to make some of the new appointments to the board of directors of this company. Undoubtedly they want to listen to the various proposals that are being made in order to be in a position to select the best possible persons for these positions.

In view of the principles referred to by the hon. member for Timiskaming, which were supported by the hon. member who has just taken his seat, I am beginning to wonder whether I should welcome him to the ranks of the socialists, or whether this is just a passing interest. It is obvious that he is thinking in terms of public interest, though

his thoughts are much more accurate than his arithmetic. He proposed that five members, or 25 per cent of the members of the board should be appointed by the government. I have totalled up the number of members he wants appointed, and I have now arrived at a total of 12. He suggests that two members be appointed from the federal government, two from the provincial governments, and one from the union of British Columbia municipalities, making a total of five so far. He wants one member appointed from the unemployed. I do not disagree with him in that regard, but I have always felt that an individual appointed to a board of directors of a company was appointed on the basis of his being virtually unemployed. The hon. member wanted another member appointed on behalf of unions, and I think that is an excellent idea. Such a principle has been advocated in many parts of the world and here in Canada for some time. I think there should be an invasion into management control by the workers of industries in order that they may see how their immediate benefits and relationships are being handled. He suggested another member should be appointed on behalf of the company subscribers, farmers, housewives and many others who are vitally interested in the operation of this public service or utility.

Mr. Grégoire: Mr. Chairman, I should like to speak to a question of privilege. The hon. member for Skeena has suggested that I am becoming a socialist. I should like to point out that this is a Social Credit proposition, and perhaps he is becoming a Creditiste.

Mr. Aiken: You had better apologize to each other.

Mr. Baldwin: You deserve each other.

Mr. Howard: Mr. Chairman, the interesting thing about that question of privilege is that the member for Lapointe was smiling when he raised it, which would indicate that he is not really serious about my becoming enamoured of the philosophy espoused by his leader.

There is no doubt that members of parliament are concerned with making sure that the public interest is served, and that the public is assured that this company has its best interests in mind. I think the public should be provided with some mechanism by which it can take part in making policy decisions. I am sure the sponsor of this bill is vitally concerned with the public's interest. Perhaps I should remind the members of this committee that the principles contained in the proposal we are now discussing were originally initiated by members of this party, which has always had the public's interest at heart. I am sure the Bell Telephone Company officials are concerned about public interest and want to make sure that the public is served in the best possible manner.

Perhaps this is an appropriate time for the sponsor of this bill to communicate to the officials of the Bell Telephone Company, if he has not done so already, that there is a growing concern, as far away as Halifax, about the operation of the Bell Telephone Company. He should perhaps concern himself with some method by which the general public could have representation on this board of directors. He may be well advised to communicate the fact that there is growing interest in parliament in respect of the operations of the Bell Telephone, and he may well ask those officials what they intend to do in this regard. Perhaps the sponsor of the bill should allow it to stand while the Bell Telephone Company officials consider the proposals which have been made, and perhaps meet with members of parliament who are interested in this matter in an attempt to find some compromise or arithmetical solution to the obvious differences.

It is easy for the member for Lapointe to say 25 per cent and that may be a good figure. It is equally easy for some other hon. member to say that he does not think it should be 25 per cent, that a more proper division would be 30 per cent or 26 per cent, or six members, or some other ratio of members of the board of directors selected by the governor in council and appointed to represent the public interest, compared with those appointed by the company under the normal rules of corporation activity.

In this discussion with the Bell Telephone Company we might reach an agreeable figure. After all, in something of this nature I do not think anybody wants to say to Bell Telephone or any other public utility: This is what we think is a proper ratio, 25 per cent appointed by the governor in council and 75 per cent selected at the annual meetings of the company in the way it is normally done. I do not even think we should say arbitrarily, as was suggested by the hon. member for Timiskaming initially, that three out of the 20 should be appointed by the governor in council. What percentage that would be I could not say. It is around 15 per cent. This

is just as arbitrary a figure as the 25 per cent suggested by the hon. member for Lapointe.

I think a far more reasoned and reasonable approach would be to communicate with the Bell Telephone Company through the sponsor of the bill and indicate our wishes to them so that we can arrange to sit down and talk about the matter in an informal way. Of course, whatever figure we arrive at, it also will be arbitrary. Unless we had a board of directors numbering 1,000 I do not think we could possibly have representation for all sections of the economy and all groups of subscribers. But some balance should be sought and there should be acceptance of the idea that if one person is appointed by the union of B.C. municipalities, for the sake of argument, it will be generally understood this is fair enough representation of that particular group of people. If we agree that the people working for the company should have some representation, it may also be possible that one such person will be sufficient to represent that block of people. And so on down the line.

Mr. Grégoire: May I ask the hon. member a question?

[*Translation*]

Mr. Howard: But certainly.

Mr. Grégoire: Under those conditions, would you agree that if labour unions could appoint a representative to the board of directors of the Bell Telephone Company of Canada to protect the interest of workers, the salary of that representative should be paid by the unions as a whole rather than out of the funds of the Bell Telephone Company of Canada, so that the union representative would be entirely free from any links in order to represent adequately the unions on the board of directors of the company.

[*Text*]

Mr. Howard: My friend from Lapointe is obviously a crystal ball gazer because I was about to come to something akin to that point, although not particularly that point. I was going to say that in the normal relationships between companies such as the Bell Telephone Company and governments such as the Liberals it would be very simple for the Bell Telephone Company to say that they would accept the sort of amendment now before the house. They could say: We will accept three or five. We have the other 15 in our pocket in any event and we have the Liberal government in our pocket so we will just go to them and ask them to handpick these three or five people, and then we will have the whole 20.

I was about to proceed to that line of argument and the hon. member for Lapointe assisted me in reaching it. With regard to so-called advisory boards established under the aegis of government and whose members have been appointed by the governor in council, we have found in the past that even though they may be suggested by outside groups such as unions there is not the degree of independence of thought there should be because the individual is not paid by the people he represents. I think it would make for a better connection between the representative and the people he is representing if he were unfettered financially so far as any connection with the Bell Telephone Company is concerned. He would have a much more independent attitude of mind. In that sense the hon. member for Lapointe and I have reached a meeting of minds and there is no disagreement whatever.

There might be some difficulty though with regard to the appointment of the person who was unemployed, as suggested by the hon. member for Lapointe, unless that hon. member would undertake to pay his salary. But there would be this problem, and it is a question that is unanswerable at the moment. If it were considered advisable to appoint a person who was unemployed in the normal sense that we use the word, and we wanted to ensure that he had some sort of income or salary from his position on the board of directors, we would have to work this out. The hon. member for Lapointe could say "do it this way" and some other member could say "do it that way." This is another reason why I suggest that what we need is an indication from the sponsor of the bill that he will not seek further progress for the bill until such time as we can sit down and iron out this question in an informal meeting with the Bell Telephone Company. Did my friend have another question?

Mr. Grégoire: Yes, concerning the unemployed representative on the board of directors. Maybe his salary might be paid out of the unemployment insurance fund. Then he would not be dependant on the government but would be responsible to the unemployed because he was being paid out of their money.

Mr. Howard: There may not be any left in the fund to pay him. I understand the hon. member for Danforth had a question.

Mr. Scott: Not of the member for Skeena. I should like to see a vote at this time—

An hon. Member: Then sit down.

Mr. Scott: —but before we do that I should like to ask the sponsor if he has taken up this proposal with the directors and what has been their reaction to the suggestion that some of these new directors be appointed by the government?

Mr. Brown: I might remind the hon. member that I have given him the answer to this question on September 10 and on October 1—

Some hon. Members: Six o'clock.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTION TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to provisional standing order 39A, to inform the house that the following question will be raised at ten o'clock this evening:

The hon. member for Halifax, public service, equalization of pay for prevailing rates employees.

The house will now resume the business interrupted at five o'clock.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

General administration—

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,180,500.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Woolliams: Mr. Chairman, when we recessed I was speaking about the report of natural gas, and I would like to conclude that phase of my remarks by saying that at present there are two applications before the provincial bodies which will likely come before the national energy board. One is an application for trans-Canada allotment in the Alberta southern system, and in my remarks before the evening recess I said the Borden commission, the reports of the petroleum industry itself, and the Canada Year Book all have indicated we have sufficient natural gas and proven reserves to enable us to export natural gas from Canada which would help us with our imbalance of trade with the United States, and our imbalance of dollars.

Everything possible should be done to encourage companies that are in the pipe line business, and to provide assistance for them in the tax structure so that we can help the flow of Canadian dollars into our own industry. I question, and I am sure the minister would question also, whether there is a single company in Canada today owning crude petroleum supplies, or natural gas or any of its by-products that is not probably 70 per cent controlled by foreign capital, irrespective of what the Minister of Finance may have said in the past. In fact Canadian Oil, B.A. and some of those other companies that were true Canadian companies have recently passed into the hands of foreign control; but if a little more encouragement were provided in the tax structure for Canadian companies, then Canadians with savings would be prompted to put their savings into investments in Canadian companies and syndicates.

The national oil policy is one which was devised by the Conservative government. The eastern market in Canada gets its oil supplies from Venezuela and other countries, but we know that the oil producing companies in those countries are financed with United States money, so naturally the Americans are interested in that supply of oil coming into what we call the Montreal market. Naturally we have to work out details with the United States on such markets, and it was during the term of office of the Conservative government that a very good deal was worked out on a three year basis. I want to drive that point home, because today the authorities are working such negotiations out on a year to year basis.

Everybody who has experience in the oil industry knows that after the Suez crisis was over the demand for Canadian crude oil, particularly crude oil from western Canada, fell off, and it was necessary to hold talks and conferences with the United States on the problem; and it was by getting into the United States western market that we were able to improve the market for Canadian crude oil. For example, as I said earlier this

afternoon, in 1960 we were able to export about 113,000 barrels of crude per day, and because of our national oil policy and the deal which we worked out with the United States, in 1963 we were able to export into the United States market 248,000 barrels per day.

I would ask the minister to remember that when this deal was made by the then minister of trade and commerce, Hon. George Hees, the petroleum industry was very happy with it. This industry appreciates the problems in reference to the imports of crude into the eastern market. It appreciates the problem that if there were quotas put on the eastern market it might increase the cost here and, moreover, might cause trouble in those countries from which the oil is coming. It might cause the kind of trouble and create the kind of philosophy which neither Canada nor the United States wants.

In this regard the United States worked out a compromise involving its western market on a three year basis. We said we would try to increase our exports to 250,000 barrels of crude a day and hoped to raise it to a level of 800,000 barrels a day. I think the minister can take some pride in the fact that in 1963 we almost hit that target by producing 786,000 barrels per day for home and export consumption. However, I am told by petroleum men in Calgary that now, instead of a three year target they have only a one year target, and this has led to a new development in Montreal where a new refinery extension has been built for B.A. Oil.

The reason for this is that with this one year target, or one year deal with the United States, they feel the market might fall off, and so they have built an extension to their refinery in order to refine an extra 25,000 barrels of foreign crude a day. There is anxiety among people in the oil and petroleum industry in western Canada about this one year deal, and I urge that our efforts should be bent, as they were when the national oil policy was announced, to having a three or five year plan. By so doing we will not have the kind of development which will continue to encourage imports into this country, thus creating greater imblance of trade and imbalance of dollars between Canada and the United States. When we talk about currency in this country let us face the fact that if you go overseas, whether you buy pounds sterling or dollars you pay for them in United States dollars. They control the markets. We listened to the suggestions made today by my hon. friend from Qu'Appelle. If we are to be a mature country we should set up the proper institutions internationally so that we would be dealing in Canadian dollars as well as in United States dollars. Then we could talk. Then we could trade and then we could sell in world markets. The oil industry is prospering in Canada today, due to the national oil policy implemented by the former government. I know the present minister is going along with that policy. I will go further. I will congratulate him and the officials of his department on going ahead with it. As a result of that national policy we were able in 1963 to produce 786,000 barrels of crude per day compared with 462,000 barrels in 1958. When I say "produce" I mean production in the sense that consumers at home and in the export market are using that amount, and this spells dollars for Canada. I say that the oil industry is one of the most important industries in Canada today, along with agriculture, and that its prosperity or otherwise affects the whole of our economy.

We heard today an enlightened speech by the hon. member for Qu'Appelle. I went along with him in his six points. He was enthused. I am sure the minister was really interested. But it seems to me that when we are discussing the building up of trade with countries having a lower standard of living than our own we should begin to take a hard look at our relations with China. We have made wheat deals with China and we have made oil deals. There may be other deals in store. If we are going to trade with a country of 600 million people the Department of External Affairs should take a look at the situation because if we deal with these people by selling them goods we may have to deal with them otherwise. It seems to me that as the parties change places in this house, officials of the department continue to advise and curb the ministers to whom they are responsible. I can speak freely because I am in opposition. I believe it is time that Canada, in spite of what the United States may do, should recognize China as a country. Remember, there are six or seven hundred million human beings there and they cannot be ignored. We are a country of 19 million people and we are sitting on surplus resources. We have reserves of wheat, natural gas, petroleum, iron ore; we have a surplus of everything. Can we continue to hold these resources for 19 million people unless, first of all, we begin recognizing the countries we must deal with and, in the second place, we begin to change the archaic and out of date

rules which govern immigration into this country? You cannot have one without the other. If there is to be peace in the world we have to show ourselves as businessmen of good will.

Mr. Sharp: May I ask the hon. member to clarify a point? When he spoke about agreeing with his hon. friend from Qu'Appelle did he mean we should increase our imports of oil from Venezuela to carry out the suggestion he made?

An hon. Member: Oh, oh.

Mr. Woolliams: Somebody laughed, and the man who laughed would not know grease if he saw it. The minister has asked an intelligent question and a proper question and I want to answer it. I appreciate the problem thoroughly. I said we must negotiate and work out deals. I am confident that the industry in western Canada is happy with the deal the Conservatives put over when they developed a national oil and petroleum policy. I would say that if we were self-sustaining and if we were not so dependant on the economy of the United States we could probably take a different attitude. But one has to be a cold realist, a cold businessman. What is the best policy for the petroleum industry? The best policy is to work out a deal. I hope this government, when an interparliamentary group is set up to work with our counterparts in the United States, will not make unnecessary changes in the personnel. What happens is that just as the members get briefed and become knowledgeable, the composition of the delegation is changed because somebody needs a trip. This is a very serious business and I believe that once these delegations have been set up their composition should be changed as little as possible so that we can continue to work out in the future such deals as we now have in the national petroleum policy.

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

Mr. Woolliams: I only have a few minutes left. I was glad to answer the question raised by the minister but I know the kind of question I would be asked by the hon. member for Renfrew South—and I do not mean to be disrespectful; I know he has a well oiled machine when it comes to leadership.

An hon. Member: Squeaky.

Mr. Woolliams: I want to repeat the point I was making. If we intend to trade with communist China and with countries behind the iron curtain, we must remember that it is no longer 1924 or 1934 or 1944. It is later than you think. Maybe Churchill was right. Sir Winston Churchill said—and I hope I can get his words right—that if the iron curtain were lifted and the millions of good-hearted human beings on either side could have free intercourse one with another, then the 14 men who control the millions of good-hearted human beings behind the iron curtain would be undermined and peace and security would be ours. I think this is true in the field of economics.

The Chairman: I regret to have to interrupt the hon. member but his time has expired.

Mr. Greene: He has not said anything, anyway.

Mr. Davis: The hon. member for Bow River said he could speak freely because he was in the opposition. I also intend to speak freely tonight. What I say does not involve the government in any way; nor it is necessarily in line with government policy.

I want to talk about energy and more particularly about our trade in energy. I should like first, however, to congratulate the minister. The last time he brought his estimates forward we congratulated him because he was a new minister. This time we are all congratulating him on the tremendous performance of his department. Certainly he has shown great qualities in leadership with respect to our very successful trade drive.

One of the best tests of what is happening to our economy is our balance of payments. Three years ago our expenditures abroad were far in excess of our earnings and we had a balance of payments deficit of roughly $1.5 billion. It has now been reduced to half a billion. This improvement is one measure of the government's accomplishments in the field of foreign trade. It is of interest to all of us, not only in respect to trade, but in respect to foreign ownership in Canadian enterprises.

In the energy field there has been a remarkable improvement. At the end of world war II we were importing two thirds of our fuel. The bulk of it came from the United States, but some oil came from Venezuela. Today we are approaching a balance. We are, roughly, 70 per cent self-sufficent in respect to oil. We are more than self-sufficient with respect to hydro power and natural gas. We are still importing some coal. But, over-all we are 90 per cent self-sufficient in respect to energy. The progress made in this field is

one of the reasons why the affairs of this nation are in much better shape today than they were a few years ago.

Our changing pattern of trade reflects Canada's changing patterns of fuel consumption, in particular the tremendous increase in the importance of oil. Now it accounts for 60 per cent of our consumption of energy, having risen from 20 per cent. We are using more oil than anything else. Oil and gas together supply roughly three quarters of our energy requirements. Wood has almost disappeared as a source of energy and the importance of coal has declined not only in relative but also in absolute terms.

All over the world we are witnessing this progressive shift from what we thought to be the more durable forms of energy to the more exhaustible forms such as oil and natural gas. This shift is a matter of great concern to many people. Today oil is on the crest of the wave, so to speak. It accounts for 40 per cent of all world trade at the present time. Ten billion dollars worth of oil moves between nations annually on this globe of ours, but this increasing volume of oil is being recovered in the context of increasing reserves. In the world today, if not a single additional exploratory well were drilled, there is still 40 years of supply at the current rates of consumption. On this continent, where oil has been in extensive use for over a century, there are still about 12 to 15 years supply. This 12 to 15 year figure frightens some people, and yet if one goes back over the past century he finds that there has been a 10 or 15 years supply proven out and available at any one point of time. The reason this has happened is that the oil industry has found it necessary to have something which you might call a working inventory in the order of 10 to 15 years supply on hand. It does not pay the industry to find too much oil, and consequently the industry keeps a limited amount of proven oil ahead of itself. It has been drilling deeper and using new techniques, and the proven oil reserves have mounted roughly in line with the immense increase in consumption on this continent.

Going overseas, mankind has found even greater quantities of this energy. In the world today there is at least as much natural gas, physically speaking at least, as there is oil; yet the consumption of natural gas lags behind that of oil by a considerable margin. In many parts of the world natural gas is hardly used at all. Even in Canada it is largely a post-war phenomenon. So if oil were to show some signs of exhaustion, natural gas is coming along behind it. Again, behind natural gas and oil are these tremendous quantities of bituminous sands, oil shales and the like. For example, we have in northern Alberta alone more oil in the form of tar sands than has been found in the entire world in conventional oil pools. So we have a larger oil inventory in the form of tar sands than we have oil and gas in the conventional sense.

Then of course we have coal. We have coal in vast amounts, hence the prospect that the alarmist sees only a decade or two away, that of making synthetic oils and gases from coal, could utilize the pipe lines through which oil and gas now move to market. This possibility has been there for a long time. In the 1860's in the United States when oil was beginning to be used extensively for lighting lamps, greasing wheels, and so on, there was concern amongst the conservationists of that day who were saying there was only 10 to 15 years of proven oil left in the ground. They said, "What will we do?" The chemists of that day said, "We can turn to synthetic oils and gases made from coal". That was 100 years ago. Technology was on the horizon then, and it is on the horizon now. Its promise may still be 50 years away. So we may not want alternative forms of energy, including the production of synthetic oil and gas from coal, for a long time to come.

We have hydro power. In the world perhaps 5 per cent of the hydro resources are developed. On this continent only about 40 per cent have been harnessed. In Canada an even smaller percentage has so far been utilized, and in a province like British Columbia only 10 per cent has been put to work. In other words, there are immense quantities of hydroelectric power available and it will become increasingly available as water is developed for other uses and as its multipurpose applications make power in effect a by-product of water for industrial purposes, agricultural, human consumption, and so on. Behind all this we have nuclear energy. We have tremendous amounts of uranium, thorium, and resources of that kind.

The concern about energy, in other words, has evaporated over the last 20 years. It is no longer a matter of whether mankind will run out of energy; it is now a matter of which is the cheapest of a number of alternative sources. We are tending to concentrate today on the more exhaustible forms of energy like oil and gas, but we know we can

turn to the tar sands, the oil shales, to coal and eventually to the nuclear sources of energy. It is merely a matter of cost. And today costs are coming down; we know they are not out of reach. Hence we are likely to see some important applications of nuclear energy within the next decade or two.

So supply is not really a problem. This has a very important implication, if true. It means that a country like Canada that has abundant sources of energy can trade with some confidence; that it does not have to worry about keeping all its forms of energy at home.

Mr. Woolliams: Mr. Chairman, will the hon. member permit a question? During the last two or three years has the hon. member always been in favour of exporting all types of energy from Canada, particularly in the case of natural gas and electrical energy—I am thinking particularly of the Columbia river—from Canada to the United States? Has the hon. member always taken that position?

Mr. Davis: Yes, I have always felt that we could export energy, with proper safeguards. We can export energy if we do not export it at prices lower than Canadians have to pay. We should not export our lowest priced energy to neighbouring areas of consumption. But I would say that we should be prepared to trade, as long as there is an advantage in financial terms of that trade.

Another test of the availability of energy is its price; that is, the price of energy compared with other things. The delivered price has been tending to fall not only in Canada but, generally speaking, throughout the world. Therefore, when the price test is applied, I suggest that energy is becoming more abundant. Delivered costs are coming down even more rapidly than the cost at the source of the energy, because the means of transportation have been very much improved, the oil pipe line is very much more efficient than the gas pipe line—it is three or four times more efficient than the gas pipe line—and the gas pipe line is several times more efficient than moving coal by rail.

Coal can only be moved a few hundred miles in comparison with oil, which can be moved thousands of miles. In other words, oil can move much further from its source to its market: it can move halfway around the world. Natural gas can move across a continent and still be competitive; but coal can move only a few hundred miles and be competitive. It should really be consumed at its point of origin.

[Mr. Davis.]

These are among the facts of life that the long term forecasts reveal, and long term planning in the freest or most indicative sense indicates this is the most sensible way of managing the energy resources of a region or a nation. Basically we are seeing a lowering of the ceiling on the price of energy because of these improved means of transportation, increased availabilities and more efficient utilization. The average thermal power plant 50 years ago was only 15 per cent efficient; today it is 30 per cent efficient. Recent discoveries are suggesting efficiencies of better than 50 per cent. So much more of the energy delivered to a given point is being utilized. The diesel engine is more efficient than the old steam engine. Today we are not wasting energy and we have an increasing supply. We have greater competition, falling transportation costs and much greater efficiencies of utilization. Energy is being put effectively to work to a much greater extent and much more effectively than ever before.

This leads on to another conclusion. This conclusion is that the area, or the region or the country that is able to put energy to work most effectively is the one that is likely to prosper most in economic terms. This test can be applied in the United States. For example, you find that the states of the U.S. which have the highest per capita energy consumption by and large are the ones with the highest per capita incomes. They are the most industrialized states.

In Canada, the province which puts the most amount of energy to work per capita tends to be the one with the highest per capita income. Throughout the world it almost always follows that where energy is consumed in quantity there is the greatest prosperity. This leads one to the inevitable conclusion that it is to consume which is important, and to consume efficiently, and not necessarily to produce. Canada can do both. In most forms of energy we can not only be a producer but a consumer as well. The implications for trade are obvious. We can export with more confidence as long as we export intelligently; but we should also be importing in areas where importation means lower costs than if we were self-sufficient in respect to that particular form of energy.

This applies perhaps most graphically in respect to oil. Forty per cent of the oil used in Canada is refined in the maritimes or the Montreal area. Our western Canadian crude oil does not come as far east as Montreal; it fills out British Columbia, the prairies, southern Ontario and even the Ottawa valley, but

not Montreal. It is cheaper for 40 per cent of our users in Canada to use Venezuelan or Middle Eastern oil imported into the maritimes or the Montreal area and refined there rather than bring Canadian oil all the way across Canada.

To resolve our balance of payments problem under those circumstances and to resolve it efficiently, we should basically be exporting more oil down the west coast and into the U.S. middle west; exporting it in at least as great amount as we import it from other countries into eastern Canada. This pattern will lend to the lowest cost and encourage the greatest consumption and will, I suggest, be the most rational pattern for a spread out country like Canada to follow with respect to the utilization of energy.

There are certain industries which use energy intensively. Aluminum is one example and the electro-chemical and metallurgical industries are others. We have these industries in some numbers in Canada and they are among the best equipped and most efficient in the world. They are our bread and butter industries—the resource producing industries which help pay our taxes, build roads and schools and help pay for better services generally across the nation. We should where possible encourage research in respect to the establishment of more of these energy intensive industries.

One in which I have been interested for several years is an industry which would process uranium. It is the largest single user of electricity in the United States, for example. It can upgrade uranium into a variety of forms. We do not have an industry like that in Canada but we might have one one day. For the time being we might ship our uranium to the United States, or even to the United Kingdom where a small plant exists, and have it upgraded; but as I say perhaps we will be able to do this in Canada in the 1970's or 1980's. That is the type of industry we should be sponsoring in this country.

Mr. Woolliams: Would the hon. member permit another question. As I understood his argument, if we had to sell our surplus energy to the United States cheaper than what the consumers of Canada have to pay for it, we should not sell it at that price. The hon. member said it must be a competitive price. In other words, if we had a surplus we must not sell it to our foreign friends at a cheaper price than the price our own consumers pay.

Mr. Davis: In neighbouring areas of Canada and the United States—assuming Canada is the source of the energy—the price should be lower to Canadian consumers than to the consumers in a neighbouring area in the United States. Given those circumstances I would be in favour of a continuing exportation of that form of energy. The national energy board will make sure that the reserves in Canada are sufficient to look after our foreseeable requirements. This provision would also safeguard long term Canadian requirements. These would be among the stipulations which I believe can be met and are being met in respect of the export of oil, gas and power from Canada at the present time. We will have more of this trade and I suggest that this would be to our advantage and that we should not be apprehensive about it.

I want now to go on to the governmental approach—I do not mean only this government but I include all future governments as well—to energy development. It should not be unalterably opposed to export. That is one conclusion. Another is that it should be interested in focusing more of its research activity, export trade promotion, and so on, on energy intensive industries so that we make greater use of energy at home. Also I believe it should be looking across the whole spectrum of energy commodities and carefully trying to bring them on the same footing one with another. I suggest that in the long run it would be healthiest if there were no subsidies at all in respect to the various forms of energy. One form of energy subsidized more than another, for example, is not an altogether healthy situation.

We are spending more than $60 million a year at the present time on nuclear energy. That is more than $3 per person per year. I do not imagine that we will go on subsidizing the creation of a new energy industry like that forever. That is a lot of money. We are not spending anything like that on the development of oil or gas, or even on facilities for the production and transmission of electricity. We are favouring one form of energy to that extent. At the other end of the spectrum, we are subsidizing some of our uneconomic coal producing areas. These areas should be oriented more to consumption at the pit head, and so on. We should progressively work our way out of having to move coal over vast distances, because coal does not move over great distances naturally in competition with oil and gas. Roughly $18 million a year, or $1 per person per year, is

being spent in this country on subsidizing an industry which could over the years readjust to a more competitive position and be in healthier circumstances.

What sort of agency do we need in government to work this out? I should have thought that a national energy board should be an energy board and should take a comprehensive approach to energy. It should not merely be concerned with interprovincial and international movements of oil and gas and the export of power, but also with developing a long term policy with respect to coal. Coal, as hon. members know, is presently administered by the coal board, which falls to a certain extent under the jurisdiction of the minister of mines. In the long term I think it would be better for coal administration to go to the national energy board and be within the orbit, as it would be today at least, of the Minister of Trade and Commerce.

I also think that atomic energy, this new industry which is coming along, should also be within the purview of the national energy board and that atomic energy should be taken, at least in respect to our long term programs, out of the Department of Industry and included along with the other responsibilities of the national energy board. In the United Kingdom there is a ministry of fuel and power. On the continent of Europe today there is a treaty in effect between the six nations of the European common market. They are developing a common policy with respect to all forms of energy. They are trying to put them all on the same footing eventually. The coal mining industry there is in even more serious straits, at least locally, than it is in Canada, but there are attempts to rationalize the whole energy picture and to take an over-all long term approach to the problem in individual nations and in the common market areas. I think that Canada would do well at least to organize its governmental approach to energy in a similar way.

There is only one other aspect I should like to discuss this evening and that has to do with what I might call rigidities which are creeping into the energy field. Increasingly, these forms of energy require vast investments of money for plants and equipment. A pipe line, once it is laid, cannot easily be altered or moved to another location. An oil refinery, once it is built, will continue to be located in a specific area. A large atomic energy installation, which is many more times expensive than a conventional coal or gas burning plant, is similiarly difficult to change, modify and, certainly, to move.

[Mr. Davis.]

Consequently, you have long term contracts developing. One cannot chop and change. We do not have spot sales of products. We cannot have the same retail situation such as existed 50 or 100 years ago in respect of fuel wood, or even in respect of coal. These things involve long term investments, and do so increasingly.

We have, paralleling these long term investment situations, long term export commitments, so that contractually and financially we have an institutionalization of things. Long term planning is certainly called for, and individual firms involved in this economic activity have to plan over a long period of time. Consequently government, if it is to think in step with these industries, has to be looking a long way ahead, not just for five or ten years, but over a period of time at least as long as the lifetime of the investment, many of which run for 20, 30 or over 50 years ahead. Some pipe lines will last as long as 50 years and some power dams will last for as long as 100 years.

These investments are being made as though we know what is going to happen 10, 25 and even more years ahead, and our plans should be made in similar terms. When I say "plans", I mean our thinking, our forecasting and the whole process of decision making in this context. The thinking of private individuals and government should be in step with each other in this way.

I should like to emphasize the need for voluntary programs. I think our oil policy, a policy which has evolved over the last three or four years, has been remarkably successful. The Gordon commission studied energy, and the Borden commission studied energy even more intensively. Both commissions recommended the establishment of a national energy board. Following the establishment of a national energy board the previous government followed through effectively with other recommendations of the Borden commission. We had an oil policy which established targets in respect of exports and the movement of Canadian oil to the east and penetrating into the United States.

These targets were not set up arbitrarily by the government, but in close consultation with industry. Indeed they largely resulted from forecasts made by industry. The industry forecast that it might move oil as far east as the Ottawa valley, in respect of its eastward movement of crude oil, and remain competitive, and that it might also sell oil to the Detroit, Minneapolis and Seattle areas. These forecasts were brought into reality. The government said: These targets can be

realized; you agree that they are possible, so get on with it. The small amount of oil being imported at Sarnia, for example, dried up. Oil is no longer being imported west of Montreal. We are now exporting oil into the United States. Consequently we had a set of targets which have largely been achieved.

By 1967 perhaps we will be producing, as a result of these voluntary programs, as much as one million barrels of oil a day. That will mean this will be a billion dollar industry. The oil industry in Canada will be a billion dollar industry by 1967. That is a projection which the industry has largely made. Whether these industrial management decisions were made entirely within this country or not, it was recognized that these targets could be realized, and the government of the day decided that these things must be achieved in order to set our balance of payments right. They have come into being in order to set our financial house in order.

These things are being achieved and this is the type of voluntary program which I think can produce the lowest cost of energy consistent with an improved balance of payments and greater self-sufficiency. In other words, as some people refer to it, we have national programming. I do not think it could be properly called an indicative program because the government did not really initiate them. Rather, the industry made the forecasts and the government chose those which would yield the best over-all results.

In any event, we have experienced a program of development which not only put industry in a favourable competitive position, but lowered prices. I think this is the type of national planning that many people in this country want to see extended in respect of energy and other industries in this country. We have witnessed declining prices for energy in this country. We still pay slightly more for energy than do the people of the United States, and their price level has tended to remain about constant. I think we can move into a position of competitive advantage generally in respect to energy within the next few years.

We have always had an advantage in respect to power, mainly because public power entities do not pay income tax and have the advantage of lower interest rates. We are coming into an increasingly competitive position in respect to oil and gas, even with the United States, and this augurs well for the future. We will have more investment in energy in this development, and this favourable trend will be due in part to a rational program of development in which companies and associations participate, and in which the government is fully informed. This is the type of development which I believe and understand the minister favours, and I am certain it will pay dividends as years go by.

Mr. Woolliams: Mr. Chairman, I wonder whether the hon. member would permit one more question. He refers to competition. Is not one of our big difficulties in Canada in respect of the sale of oil a result of the fact that Venezuelan oil costs approximately 10 cents per barrel of crude at the wellhead, whereas it costs $1 per barrel of crude at the wellhead in Alberta? The hon. member has been referring to transportation costs. Even if you have to ship crude from Venezuela it can still be delivered in Canada cheaper than it can be produced at the wellhead in Alberta. Is that not one of the main problems?

Mr. Davis: I understand that Venezuelan oil, as a result of a much lower wellhead price, plus transportation costs to Montreal, is cheaper in Montreal than western Canadian crude oil. That is why, under present circumstances, it is better for us to rely on imported oil. However, one can envisage a situation where we cannot obtain our crude in this fashion because some countries are following discriminatory practices, in which case we might find it to our advantage to bring Canadian oil to the Montreal refineries. To do so would be, in my view, an act of desperation, and would only happen under extreme circumstances—that is as a result of other countries not following liberal trade policies. I think we should follow liberal trade policies.

The Chairman: Order, please. The hon. gentleman's time has expired.

Mr. Nugent: Mr. Chairman, the topic with which I intend to deal this evening may not be regarded as completely new in this chamber. I will be discussing the Northern Transportation Company and government policy with respect to crown corporations. I should like to make it clear to this committee that I am not indulging in a crusade against the activities of crown corporations, but since we are considering item 1 of the estimates of the Department of Trade and Commerce, for which the minister is responsible, I should like this evening to obtain some answers from the minister about this government's policy as it relates to the question of crown corporations, vis-à-vis private enterprise.

On February 3 and February 4 I spoke for some time in this house placing certain facts on the record which I thought were relevant to the present competition on the Mackenzie river between Northern Transportation Company, which is a crown corporation, and the Yellowknife Transportation Company, which is a privately owned company.

I should like to begin my remarks by referring to the competition which exists between them. I think that is a good starting point. Northern Transportation, and in fact most of these crown corporations, date their start or certainly their importance from the days of C. D. Howe, who had a genius for setting up big crown corporations to get a job done quickly. I certainly have no argument with the purpose for which Northern Transportation was set up and for which the minister says they are still continuing to render service to a part of the country that needs that type of service. The question in my mind and which I should like to bring to the attention of the house is: Is it present government policy that a crown corporation should do this when private capital is ready, willing and able to do it? How far should a crown corporation be allowed to go in competing with private enterprise, when both are in the same field competing for the same business?

I have put this on record before but I should like to quote again a sentence or two from a speech by C. D. Howe in 1946. As found on page 2176 of *Hansard* for June 4 of that year, he said:

> ...it has never created a company that is in competition with private business in any way, shape or manner. If private business was able to carry out the war objective, private business was given that opportunity. The government has created crown companies only to undertake work that private industry was not willing to undertake.

That was the policy of the government at the time the crown corporation was set up. I am sure that most of the parties in the house who believe in private enterprise, and I have heard all parties except the N.D.P. campaign on that basis, feel that this is the ideal situation, that the real justification for crown companies is where private enterprise is unwilling, because of the financial risks or difficulties, or is unable because of those same difficulties to carry out a service that is essential to the country or to a part of it, perhaps to help open up a new area. But I think most of us feel that, if the original justification or excuse for setting up the crown corporation has disappeared, the day must come when the crown should vacate and leave the field to private business.

[Mr. Nugent.]

In this regard I have asked the Minister of Trade and Commerce on several occasions for a statement on government policy at the present time in relation to private enterprise versus government enterprise. I got an answer from the minister on October 9, 1963 to a question I had asked much earlier. I suggest to the house that the answer the minister gave was far from being a clear and concise statement on the part of the government as to how far the crown corporation should go in competing. In fairness to the minister I will read two paragraphs at least of what he said. My question to the minister had been based on how far Northern Transportation was going to be allowed to go in competing in the Arctic against Arctic Shipping and on the Mackenzie against Yellowknife Transportation, and what the role of the crown corporation was. I quote from the minister's answer as found on page 3369 of *Hansard*:

> It is the government's intention that Northern Transportation Company Limited shall continue to function as a common carrier in the Mackenzie basin and along the Arctic coast, and in so doing help to provide these areas with an efficient and dependable transportation service. In performing this function the company will, as it has done in the past, operate as a normal business corporation.

I should like to pause for a moment and repeat those words, "operate as a normal business corporation". In the past I have put on the record many instances and many ways in which this crown corporation is not operating as a normal business corporation, in that it takes unfair advantage through having avenues and advantages open to it that private corporations do not have. I will refer to this point again later. I continue the minister's explanation of the policy:

> It will, for instance, continue to replace and improve its equipment when, from the viewpoint of service and economy, such action is justified, and will provide additional equipment if the volume of traffic or the development of the area indicates that such equipment is needed.

I would ask the committee to pay attention to those words regarding volume of traffic. In the last paragraph of his statement dealing with the relationship of this crown company to private enterprise the minister said:

> Private enterprise is also providing service and will probably continue to do so. It seems to me that under existing circumstances both Northern Transportation and the private companies operating in the north are needed to provide a dependable and efficient transportation system.

That was the minister's statement of policy, such as it was, in 1963. I put a question on the order paper in July of 1964 to make sure I had not missed anything the minister might have said that would be more definitive as to the policy of the government, as well as to see if there had been any change. In answer to my question No. 1,588 the Minister of Trade and Commerce replied that there had been no change in government policy since his statement of October 9, 1963. If the minister has made a statement of policy in the meantime and I have missed it I apologize. However, I have been watching most closely and I do not believe I have missed anything. I do not think the question of what the government's exact policy is has been cleared up yet.

I should like to review the present position. Northern Transportation Company is a crown corporation operating as a common carrier, with tugs and barges on the Mackenzie river section of the highway to the sea. It is also a common carrier operating on the Athabasca sector in our northland and it also operates in the Arctic. On the Mackenzie section Northern Transportation Company has as competition Yellowknife Transportation Company, a private carrier, and in the Arctic it has as competition Arctic Shipping Limited, another private carrier.

It has not been the purpose of my speeches on this matter in the house to malign Northern Transportation Company or to complain of the way in which those public servants are carrying out their duties. It is a well known fact not only throughout the north but in Edmonton that Northern Transportation Company does provide a very good and reliable service to the people of the north. I have said before and I say now that I have no quarrel with the dedicated public servants working for that company who do their best, as we would hope all public servants would do, to make the company grow, to make it more efficient and to please the customers, while at the same time taking a great deal of pride in the service they render to the people of the north. That, Mr. Chairman, is exactly the course that must be followed by private enterprise companies.

My quarrel is with the policy being pursued by the government. I have pointed out in the house many ways in which the crown corporation does not compete "as a normal business corporation", to use the minister's words. The minister has said:

> Private enterprise is also providing service and will probably continue to do so. It seems to me that under existing circumstances both Northern Transportation and the private companies...are needed—

Right now the government has out for tender—and I am not sure whether it has received bids and let the contract—the building of a new boat to operate in Arctic waters. I am sure the minister must understand by now, certainly I have told him enough times, that this new boat which is to operate in Arctic waters will almost surely ring the death knell on private competition in the Arctic.

I should point out to the committee that Northern Transportation Company, this crown agency, has taken over from the Hudson's Bay Company the operations it used to undertake. It took out the *Banks Land*, the boat the Hudson's Bay Company had; but contrary to what was said in the house as to the purposes of that takeover, the crown corporation has not been content just to provide the service the Hudson's Bay Company was operating. In fact there has been an expansion of the service provided, and this new ship will make it possible for Northern Transportation to more than hold its own against private competition, and in fact drive out private competition from within the Arctic.

The minister owes the committee a new definition of government policy. Certainly he cannot be heard to say there is room for both when the crown corporation is deliberately pursuing a policy which is bound to have the effect, perhaps next year, of putting out of business one of its competitors in the transportation field in the north.

Next, in connection with this last statement, and I say this "last" even though it is over a year old, when the minister says, "compete as a normal business corporation" he must have his tongue in his cheek. I would like him to explain how he can call competing as a normal business corporation the effect which this will have on Yellowknife Transportation, and particularly the effect of the surplus equipment which the crown corporation has been allowed to get licensed on the Mackenzie river.

For many years it was necessary for a common carrier in that area to go to the board of transport commissioners if it wanted to put as much as one extra barge on the Mackenzie. Yellowknife Transportation had to prove that public convenience and necessity required the expansion of its fleet; in other words, that there was the volume of business that in order to handle the transportation requirements in the area an extra barge was

needed. It had to do this for every single barge, and for several years Northern Transportation had to do the same thing. I might add that Northern Transportation operating in the Athabaska sector had to do the same thing for that sector.

In the Athabaska sector Northern Transportation had no competition, and one year when there was a tremendous upsurge in the demand for transportation facilities it built a tremendous number of barges and put on some new tugs, but a couple of years later these were found more than necessary to meet the limited demands in that sector. I have requested the documents, and I could not find in the record a real application on behalf of Northern Transportation to have this system of licensing changed, so that its licences would not be for one sector or the other, but all licences issued would be automatically for both sectors.

What this meant was that Northern Transportation, a crown agency, in one fell swoop, so to speak, had all its barges in the Athabaska sector, whether surplus or not, suddenly made available to it in the Mackenzie sector in competition with Yellowknife Transportation, and was allowed to move and did move a considerable part of its fleet into that area.

It should not be necessary to remind members of the committee that a crown corporation does not have to justify its expenditures to its shareholders. It does not have the necessity of returning a dividend on its investment. Further, this particular crown corporation has the advantage of having the D.E.W. line supply and Eldorado business to give it a sufficient volume that it always has what the private company does not—a solid background of business to help to meet ordinary operating costs. I wish the minister could explain to the committee how he can pretend that this crown agency is operating as a normal business corporation when it is allowed such an advantage as that.

Next I suggest members of the committee look at some of the answers to questions I put on the order paper concerning the amount of equipment Northern Transportation has, how much it uses and the amount of freight it carries. According to the calculations I make by answers given me by the minister, Northern Transportation Company had a great many barges last year that it did not even bother to use at all. I believe it has 19 extra barges that it never had a single bit of use for during the year, and that figure does not include those it leased to Yellowknife Transportation Company.

[Mr. Nugent.]

This is the crown corporation which is now building a new boat in Vancouver. This is the crown corporation which did not itself come up with the idea of building this new boat in order to give better service. Three years previously the private company tried to bring in an L.S.M. It was a surplus vessel, but under our maritime regulations it was found too old, and could not, with due regard to our shipbuilding industry, be allowed to be brought into the country. But that did not stop Northern Transportation Company from buying it.

I believe the initial cost price was $119,000. It bought the L.S.M. and brought it into Vancouver at a time when it knew the maritime regulations did not permit the use of it. I accuse the head of the Northern Transportation Company of hoping that he would be able to get a special order in council passed so that his company would be able to move above the law and do what the private company could not do.

This boat sat there a long time, and I do not mind telling the committee that I watched very closely what Northern Transportation was doing. This crown agency, now finding it cannot use this boat, is building a new hull. It states it is going to take the propulsion machinery out of the old boat, whatever parts of it are good, and put them in the new hull at something less than what it would cost to build a completely new boat to provide the sort of service in the Arctic that the company thinks would be most efficient.

Considering the amount of money the crown agency has already tied up in surplus barges, I wonder how the minister can justify calling this method of doing business as the way a normal business corporation would operate. I am sure there is not a member of the committee who believes in private enterprise who does not doubt fundamentally whether he wants to see the government going this far, at least in policy. Do we really want to see the government go so far as to say that there is a place for competition between a crown agency and private enterprise when private enterprise is ready, willing and able to do the job? I am certain that those of us who pay lip service to private enterprise have many a doubt about that.

I know that even the members of the New Democratic party, who perhaps would have no difficulty with that first statement, are likely to object strenuously to a proposition that, in an area of the country where business undertakings are risky in the extreme and where it is a very tough and continuing task

to get private companies interested in opening up the country, these companies should have to face the fact that not only will they be in competition with a crown agency but that this crown agency will have many advantages open to it and will continue to take advantage of every natural advantage which it has. This is borne out by the situation here, where it is obvious, from the way the government let out the contract, that it is the open intention of the government that its agency should drive out private shipping from the Arctic, leaving competition only on the Mackenzie, knowing that if they are the only transport agency in the region it will make it very difficult for Yellowknife to continue transportation even on the Mackenzie; because if the destination is in the Arctic the crown agency will be the only one which can say "We can carry right through".

I mentioned some of the other tactics which have been used and how closely this situation has to be watched. Take the ordering of houses for Eskimos, for instance. They were made deliverable at Waterways, Alberta, where only the crown corporation operates, so they would be put on crown corporation barges. Why they should be delivered at that midway point is a mystery to everyone except Northern Transportation. If delivered at Edmonton they could go by road to Hay River or by rail to Waterways, and in that case both Yellowknife and Northern Transportation would have a fair chance. I say there was some persuasion on the part of the crown agency which influenced the department of northern affairs to provide for delivery at Waterways in order that Northern Transportation might not be able to compete.

Figures can be produced to show what all this has meant in terms of practical service to the people in the Mackenzie and Athabaska sectors. The record shows that while competition between Yellowknife Transportation and Northern Transportation has existed, the unit cost of shipping has gone down. Over the last seven years shipping costs have gone down by more than 50 per cent. But in that same period, when the crown agency was the only one operating in the Athabaska sector there has been no change in the rates. I suggest this is some ground for suspecting that a little healthy competition for the crown agency is a good thing.

There is another factor which the minister should take into account when considering the policy to be followed in respect of this crown company. Where a crown company has as many natural advantages; where it has, as I say, the complete D.E.W. line hauling; where it has a monopoly in one sector; it is difficult for any government auditor to look at the affairs of the corporation and estimate its real efficiency. It is not so bad in the Mackenzie sector. I am not sure how close an accounting is kept, but in order to get business in that sector they have to be efficient. But what standard or guide does the government have as to business efficiency in other places? Whether you believe in private enterprise or not, if you have people in a crown corporation doing business in this way you must be concerned with their efficiency. How much is this costing the taxpayer? What gauge can be used to determine the efficiency of the operation?

I do not wish to review the whole history of the operation of these companies but I am bound to tell the committee that I think the time has come when the government should make a new statement of policy. The last clear policy statement was that made by Mr. C. D. Howe away back in 1946. The present minister must tell us what the government intends for the future. I think he would be less than honest if he did not say that of course he believes crown agencies should compete with private enterprise, even though there is private capital ready and able to do the job. Perhaps, however, he will go as far as to say it is not fair for a crown corporation to have this extra advantage. If he does, then he owes us an explanation why this crown corporation is permitted to operate in the way it does. He should inform this committee how far the exploitation of Northern Transportation is to be allowed to go. Next year, it is Arctic Shipping which will be squeezed out. How long will it be before Yellowknife Transportation will be squeezed out?

The situation is so serious now that no private shipper will want to get into the north. No one in his right mind will invest money in a transportation system which has to face competition in the manner in which the government is running this transportation system in the north. Maybe many people in this committee feel there is so little in the north that it is not worth striving for. But I think the government has said they want to expand and attract private investment. I hope the minister will have some encouraging words and be able to tell us that there is at least some hope.

[*Translation*]

Mr. Rondeau: Mr. Chairman, tonight we have before us the estimates of the Department of Trade and Commerce and before

going into details, I should like to take a look at the expenditures for the year 1965 in order to ascertain, in terms of expenditures, the importance of that department in our present administration.

In looking at the figures at the beginning of this book and comparing the figures for the Department of Trade and Commerce with those of other departments to see where this department ranks, we find that it ranks 14th as regards the expenditures of the federal government. This is a very important department because it is somehow the general administration of trading in Canada.

But if we look at the amount of money granted or that we are called upon to put at the disposal of this department, we see that although this department is very important, in fact, there are too many departments which I think have less importance for our national economy but which on the other hand get a very large share of the budget.

When I consider the estimates of the Department of Agriculture, which is also very important, I see it comes before the Department of Trade and Commerce. There I admit that agriculture must be as important as our trade since it gets a vote of $140 million.

Now, if I consider the estimates of the Department of Trade and Commerce, I see that we are asked for a vote of $83,037,540. And if we compare those estimates with the estimates of the C.B.C., which amount to $88 million, we see that the Department of Trade and Commerce gets $5 million less than the C.B.C.

It seems to me that it does not make sense that our federal Minister of Trade and Commerce should have at his disposal only $83 million to meet the needs and obligations of such an important department. Yet, the C.B.C. has at its disposal $5 million more than the Department of Trade and Commerce. I think this does not make sense.

If you take a further look you find that the Department of External Affairs comes before the Department of Trade and Commerce. The Department of External Affairs is an important one. But, in my opinion, from the Canadian dollar point of view, it should come after the Department of Trade and Commerce.

We also have another department which I believe is far less important than that of trade and commerce; I refer to the Department of National Defence, which altogether costs the Canadian government or the Canadian taxpayers the sum of $1,525 million.

This is much more important, as far as government expenditures are concerned, than the amount which might be available to our Minister of Trade and Commerce.

I should not like to review the expenditures of all the departments but if, with respect to expenditures, we compare figures, we find that the Minister of Trade and Commerce ranks 14th. However, I think that, in Canada, trade must be placed on an equal footing with agriculture; it is a very important department.

It is silly that, in our government, some departments of lesser importance should take precedence over that of trade and commerce.

When we take a closer look at the trade and commerce estimates for which we are asked to vote $83,037,540, we note the following: general administration, $5,180,500; trade commissioner service, $6,500,000; exhibitions branch, $2,190,700; universal exhibition of 1967, $970,000; travel bureau, $4,907,300; administration of standards branch, $3,372,100; dominion bureau of statistics, $13,195,800. We notice also that there is a special vote of $46,700,000 for wheat.

This means that out of $83,000,000, an amount of $46,700,000 was allocated exclusively to wheat, or more precisely as a form of indirect assistance to the farmers of western Canada.

Now, if I add, in this same book, the number of federal civil servants directly associated—I do not say indirectly, but directly—with the Department of Trade and Commerce, I see that it employs 4,500 people.

I find it ridiculous to expect so much from our Department of Trade and Commerce and give it such a small budget.

It is a good thing to make suggestions to the department and also to voice certain criticisms; but when one realizes that the minister has so little to accomplish so many things, one cannot be surprised that his achievements should be limited.

I want to call the minister's attention to the fact that at present there is a large production of raw materials in Canada—I mean in industry—and I suggest to him that he should co-operate with his colleague the Minister of Industry (Mr. Drury) to try and find means to help the provinces in establishing heavy industries in Canada.

I shall give only two examples of the abundance of our raw materials. We have steel in Quebec and there is some also in the other provinces; and yet, we have practically nowhere in Canada a steel plant to process our

steel or our unfinished metal on the spot in order to turn it into a finished product.

The province of Quebec is very rich as far as steel is concerned—especially the northwestern area of the province—and it would be desirable to see a heavy steel industry settle there in order to be able to turn our unfinished production into a finished product. By the same token, we could reduce our trade deficit because, at present, our raw materials are exported to the United States to be processed and sent back to us with the consequence that the Americans take all the profits and get all the employment opportunities.

Considering that Canada has a population of over 19 million and large quantities of raw materials, it is time more than ever for the Department of Trade and Commerce to consider giving some assistance to the provinces and to co-operate with the provincial ministers of trade and industry so that we may do our own processing and keep both our raw materials and those profits we surrender to foreigners when they do the processing.

Each year the Minister of Finance (Mr. Gordon) racks his brains to find some way of reducing the balance of our international payments, the deficit balance of our national budget, and yet each year we allow almost a million dollars in profit, it was approximately $900,000,000 last year, to pass over to the United States. I do not say that all this profit was earned by the United States alone by opening up our raw materials, but this anomaly has been one of the causes of our deficit balance.

I would like to draw the attention of the minister of commerce to the fact that we are not short of anything in Canada. We have a population of 19 million. We have raw materials and crude products; yet we have men, unemployed people, engineers who would be able to establish a heavy industry for the processing of steel, asbestos and other products.

Thus we know that asbestos extracted in Asbestos and Thetford Mines is exported as raw material to the United States which is selling it back to us as a processed product. We could set up heavy industry plants in Canada, where Canadian ore could be processed and this would in turn encourage other secondary industries to produce ancillary products.

Before concluding, I should like to point out to the minister a number of anomalies in our import trade. Canada is buying from other countries machinery, implements and various products that she does not have or does not produce or that we ask other people to produce. Furthermore, in the province of Quebec, we are buying heavy machinery, equipment. And the people who are selling us this machinery or equipment do not take the trouble to supply us with instruction handbooks written in French. They are glad to come over and sell us their machinery, in the province of Quebec, and to take our money; therefore, it seems to me that it would be rather easy for the Department of Trade and Commerce to call this fact to the attention of manufacturers of farm machinery, so that they may give satisfaction to our French Canadians who need these machines, but find it difficult to operate them, because their handbooks are not written in our language. There are those who do not understand English. Yet, in the province of Quebec, machinery or equipment is bought which comes from England and the United States.

In fact, the case of one of our municipalities comes to my mind. It bought some machinery from the United States and it had some difficulty to use it because there was no French handbook.

I call the attention of the minister to those facts so that he will insist that these manufacturers supply us with French handbooks which will enable us to put those machines or that equipment to good use.

Mr. Marcoux: Mr. Chairman, I should like to say a few words, express a few ideas concerning the Department of Trade and Commerce.

I wish, first of all, to congratulate the minister on what has been achieved through his officials and the existing agencies, thanks to his own work and devotion to the cause of Canada.

Still, in spite of his own efforts and those of the loyal and dedicated officials of the Department of Trade and Commerce, the minister might change direction, change his attitude or even his philosophy.

Everyone knows that Canada has to compete with various countries. This competition is a good thing, even a necessary thing, as the minister said; if we want Canada to export, we must accept imports. That is quite normal.

On the other hand, respecting imports, we think about imports from Japan, and particularly textile products.

In my riding a textile industry suffered from Japanese competition. However, we must admit that the Japanese are industrious, intelligent and hard-working people and that

they decided to resolve their problems themselves—that is their economic development—and that is why they produced goods which can compete on the Canadian market, in the United States and almost everywhere in the world. I do not think that they should be penalized because they took this initiative in order to improve the economy of their country. I rather think that the Minister of Industry (Mr. Drury) should find some means of favouring Canadian industries in the case of identical competitive products.

Having said that, I just want to point out that during my recent trip to Taiwan the existence of a joint company was drawn to my attention; the hon. member for Red Deer (Mr. Thompson) and I witnessed the laying of the corner stone of a building which will be occupied by a Sino-Canadian dairy at Tamsui. That joint company was set up by means of Canadian and Formosan capital. The Canadian capital was supplied by the Granby Farm Co-Operative Corporation exporting powdered milk. With this combined capital, powdered milk has been produced, put on the market and distributed in that country as well as in neighbouring countries.

I also heard about a similar experiment tried out by a Beauce company, the Vachon company. It has recently established a sugar refinery in Haiti which will employ a large number of people. I think the funds are furnished by Canadians and Haitians.

I believe this is a very good way for Canada to enter the international field and to promote not only the sale of its products but also our trade in general, for let us not forget that, even though we now have a trade and commerce department, until recent years Canada was rather dependant on work done by other countries who needed our raw materials to manufacture their finished products, or had to buy some of our grains and subsequently came and asked us whether we could not give preference to some of their goods. I believe the department should change its policy altogether, hire some people and train them as commercial travellers.

One of my friends who worked in Latin America as representative of a firm told me that trade representatives of some countries were travelling salesmen. As far as the promotion of a group of products is concerned, they were not satisfied with marketing them but that they sold those products to the benefit of private or joint companies.

I do not think that we have here a travelling salesman policy. I fail to see how Canada with such a small population can otherwise hope to grab a good part of the world market. Indeed, being part of America, Canadians enjoy a very high standard of living and earn high salaries; therefore, as far as competition is concerned, we can only succeed in getting a foothold on a market by offering a high quality product or a product that other companies are not in a position to make.

Mr. Chairman, I do not want to take up too much of the time of this committee, but I want to point out that in the field of textile industries, Japan particularly has made enormous progress in manufacturing those products and, indirectly, this country is prejudicial in some instances to the textile industries of Canada. In my opinion, when we want to bring about some balance between our exports and imports, in a word, if we want to set some quotas in this field, we must show a very keen interest respecting this commodity, textiles.

Mr. Chairman, before I conclude my remarks, I want to say a few words about a man who is indirectly attached to the Department of Trade and Commerce, and who clearly shows how officers of the Department of Trade and Commerce should work in the country. I wish to refer to Mr. Pierre Dupuy, commissioner general for the world fair.

Mr. Dupuy has decided to sell the world fair to the various countries we wish to attract here. He did not wait for the leaders of those countries to come to enquire about the possibility of setting up a pavilion; he decided, regardless of the cost, to travel around the world several times; he is not through, for he is about to resume his travels around the globe. He decided to sell the idea of the 1967 world fair to as many countries as possible. He was successful and I think that he will also succeed in increasing the official number of participating countries. That is, in my opinion, the only way for Canada, and especially for the Department of Trade and Commerce, to really sell Canadian products. We have to take them abroad, to the countries we want to do business with. We must prove to them, beyond the shadow of a doubt, that Canadian products are the best on the market.

Mr. Chairman, it is on this note with this thought in mind, since it is getting late, that I wish to conclude my remarks.

Mr. Ricard: Mr. Chairman, as we turn to the estimates of the Department of Trade and Commerce, I wish to make a few remarks about the textile industry which, as everyone knows, ranks among the oldest established industries in Canada and provides

work for a great many Canadians, especially in the province of Quebec.

It is an industry which suffered neglect at the hands of previous Liberal administrations, and since I represent a constituency where many workers have jobs in textile plants, I cannot refrain from calling the minister's attention to the fact that he should not yield to the temptation of lending too attentive an ear to those who surround him, especially his cabinet colleagues.

I said just now that the textile industry suffered neglect under the previous Liberal regimes, and I want to remind the minister that, between 1951 and 1956, the number of textile workers in Canada has dropped from 98,000 to 91,000.

In Quebec and Ontario, there were about 745 textile plants located in approximately 218 localities. In 1953, the annual production reached $240 million and investments by the textile industry totalled $700 million. In the province of Quebec, 354 mills provided employment for the workers.

In 1954, 47,000 Canadians, most of them French speaking, worked in such mills. It was in the mid-thirties that that industry was neglected.

During the two decades before 1957, the tariffs protecting that industry were constantly lowered and that is why I say that the previous Liberal governments neglected that most important sector of our economy.

I will provide some even more convincing evidence of the Liberal attitude with regard to the textile industry by suggesting to the minister that he again read through the speech his leader made in 1958 as shown in *Hansard,* when the Prime Minister (Mr. Pearson) stated, more or less, that it was somewhat superfluous to give too much protection to that industry since it was not considered a native industry.

His colleague, the Minister of Transport (Mr. Pickersgill), stated quite clearly that we were only wasting our time in attempting to save the industry.

As can be seen on page 3465 of the August 13, 1958 *Hansard,* the present Minister of Transport said the following:

I consider that to increase the tariff on wool against the British is a very bad thing in itself. I will say something more about that, though I cannot add much to what was said so admirably by the Leader of the Opposition on that point (the present Prime Minister). But I say this is just part of the policy, this is just the prelude to an increase in the most favoured nation rate against a country which is an essential market for our primary producers.

Later on, he added the following:

It is rather difficult to think of any industry that is much less indigenous.

Thus, Mr. Chairman, is how the present Minister of Transport pointed out that special attention to the textile industry was not something worth while.

Therefore, it is not surprising to find that during the years 1950-1954, 70 companies engaged in the textile industry which was providing employment for 21,000 Canadians, had to shut down.

I do not need to say any more to convince you of what I am stating, Mr. Chairman, since even in the town of Cornwall in your riding, several textile industries have had to shut down and lay off employees who, certainly, have come to you on many occasions to tell their story.

My purpose, therefore, is to ask the Minister of Trade and Commerce to give very special consideration to one of the oldest and essential industries in our nation's economy.

The minister knows, as well as I do, that during the last world war, especially, the textile industry played a most important, even indispensable, part in supplying our fighting forces.

As all other industries, the textile industry has to get modernized in order to face the automation problems which followed the last world war. Tremendous amounts of money have been invested to cope with the requirements of progress and to have at least a chance to compete with foreign products on the foreign markets, more particularly with those coming from underdeveloped countries where wage levels are well below those of the men working in this industry.

Not only have Canadians invested their money in that industry, they have also put in a great deal of know-how, in order that this industry, which is essential to the nation, may continue.

That sector of Canadian industry is worried and alarmed because of the competition from Japan, more particularly, as well as from Italy and some other countries.

We should not, in order to sell certain of our products, such as wheat, overlook the interests and the position of our citizens who have long been heavy taxpayers in this country.

During the last few minutes at my disposal I should like to ask the hon. minister to give all his attention to this industry. I should also like to draw his attention to the fact that a large number of industrialists are

desirous of benefiting to a larger extent from the advice of the officials of his department, with a view to getting a foothold on foreign markets.

Recently I received a letter from a prosperous company from the city of St. Hyacinthe, the Rogar Company, which is interested in the manufacture of pharmaceutical products and would like to get help in finding possible foreign markets. This company got in touch with certain officials of the Department of Trade and Commerce, but the reply it obtained was absolutely discouraging. I have, in this connection, a letter which was addressed to the minister.

I am confident that the minister will pay all possible attention to this question because he wishes to increase to the greatest extent our trade with foreign countries. Like myself and all my colleagues in this house, he knows that if we increase production in this country, we will also increase the number of workers and the number of income taxpayers.

I will end my remarks by saying a few words respecting the world fair.

I am glad that the minister decided to grant his support to a project which was proposed by the previous government. He realized that many new jobs would be created by the fair and that a relative prosperity would ensue for many of our compatriots who thus would obtain steady employment for a fairly long period.

I should like to ask the minister to be our spokesman within the cabinet in asking his colleagues to look ahead, as of now, to the impact of the world fair. While it will provide jobs for many Canadians, it is obvious that once the fair is over, a serious problem will surely follow and any undue delay in taking steps to meet it would be prejudicial to Canadian workers.

Therefore, I think it is time, right now, to show the same degree of foresight as did the previous government. This government should show as much foresight as its predecessor to forestall any such problem after 1967, and see to it that the prosperity produced by the legislation passed by the Conservative government during the years 1957 to 1962, will not lead to failure. The administration that was called upon to manage the business of the nation in 1962 must show as much foresight as did the administration at that time.

Mr. Chairman, may I point out that it is ten o'clock?

[*Text*]

Progress reported.

[Mr. Ricard.]

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, acting house leaders come and go. I wonder who will answer tonight and let us know what the business is for tomorrow.

Mr. Sharp: Mr. Speaker, it is the intention to follow the order as announced by the Minister of Justice last evening. I shall continue with my estimates. If they are completed they will be followed by the balance of the estimates for which the Minister of Industry is responsible, namely the remainder of the Department of Defence Production and the votes for atomic energy and the national research council. If these are completed we will then turn to the estimates of forestry and public works.

PROCEEDINGS ON ADJOURNMENT MOTION

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

EQUALIZATION OF PAY FOR PREVAILING RATES EMPLOYEES

Mr. Gerald A. Regan (Halifax): Mr. Speaker, the system of prevailing rates for government employees known as prevailing rate employees, which exists in defence establishments and some other government branches across the country, was brought into being by order in council P.C. 3271 on December 31, 1934, a long while ago, and I suggest that it is as hopelessly out of date as would be the minimum wages that were set out in that order in council in 1934, which provided a minimum hourly wage of 30 cents for men and 20 cents for women.

Originally the government applied this so-called fair wage clause to employees who were taking part in construction and such work, and therefore it was largely tradesmen who were involved. Over the years the government has not applied to its other employees this idea of paying one level of wages in one part of the country and another level elsewhere in the country, both for the same work.

For instance, with the railways we have the same wage rate across the country; with the civil service we have the same wage rate across the country; with the military services we have the same wage rate across the country, and with Air Canada we have the same wage rate across the country; and in this era of assistance to slow growth areas I think it is obvious that the railways, civil service and military policy of paying, in slow

growth areas, the same rate as they pay in other areas has helped build up those areas. This prevailing rate policy does exactly the opposite, and has the opposite effect to minimum wage legislation.

Only the passive acceptance sometimes accorded to situations of relative antiquity has prevented earlier, massive opposition to a policy which allows Canadians to be paid different amounts of wages for doing the same work for the same government in different parts of the country. It is outdated and must go.

Over the years a number of different formulae have been applied to fix the wage rate for a trade in a particular area. Whatever is done to end this insidious system, interim pay increases should be granted meanwhile to those who are overdue for such treatment, such as the prevailing rate employees at H.M.C.S. *Dockyard* in Halifax. The application of prevailing rates has worked to their disadvantage. Tradesmen employed by the government in H.M.C.S. *Dockyard* at Halifax receive a much lower hourly rate when the formulae is applied than men working in the same trade in Vancouver, and of course as a consequence their yearly wage is considerably lower, despite the fact that residents of the Halifax area are expected to pay the same level of taxes. There is nothing but inequity in such a system and it is the very opposite of assistance for an area of slow growth.

I have been informed that the situation is being examined at present, but we want Halifax tradesmen employed by the government to receive a nationally established rate of pay, and it is not just the question of changing the formula. Anything less than a national rate of pay, the same as that provided by the railways and the military, is insufficient and inadequate.

I do not expect to receive any final answer tonight. My purpose in raising this matter is to ask that the fullest consideration be given to it. If the condition still exists when collective bargaining is brought into force for government employees—something I hope will occur in the near future—I trust this situation will be rectified at that time, because I am confident that the representations of these employees will cause that system to be done away with at an early date. We have been told that the prevailing rate employees, as well as civil servants, are to receive collective bargaining, and therefore I hope the final solution in this regard is not too distant.

I urge the government in its wisdom to see fit in the meantime to recognize how much of a contradiction this system, of prevailing rate employees receiving different wages in different parts of the country, is to its other policies. It is a situation that must end, and I hope it will end soon.

Hon. H. J. Robichaud (Minister of Fisheries): The question has been put by the hon. member in such a way as to imply by the words he uses that the policy regarding prevailing rates which has been in effect for many years involves some kind of discrimination and unfair treatment against the employee groups who are paid under these arrangements. I think the hon. member could get a good deal of argument on this point, not least from many of the prevailing rate employees themselves.

The policy decision to pay certain classes of employees on the basis of so-called prevailing or local rates has been enshrined in federal legislation for the non-governmental segments of the economy coming under federal jurisdiction ever since 1935, when the first federal fair wages legislation was passed. It would be rather inconsistent for the federal parliament to impose on private industry within its jurisdiction the requirement that it pay wages in accordance with prevailing or local rates; and then to turn around and refuse to follow that policy itself.

The federal Department of Labour is the agency of government responsible for administering the prevailing rates provisions of the fair wages legislation, and for ascertaining in each local area the going rates for different kinds of employment which are binding on employers coming within the federal government's jurisdiction, including employees engaged on federal government contracts. The federal government naturally considers that in those same areas it is bound, by policy if not by law, to pay its employees in the same trades and crafts on the same basis and at the same rates as its laws impose on private industry. To depart from such a policy by paying lower rates than those prevailing in the local area would be unthinkable, and I am sure the hon. member is not advocating that. At the same time, to pay higher rates than those prevailing in the local community would have serious repercussions on the position of private industry in the same area and on its ability, especially in certain parts of Canada, to compete with the larger, more powerful enterprises which are largely located in central Canada.

I have said enough, I hope, to indicate the reasons for the policy which successive governments have followed for years, and which, as far as I am aware, the leaders of the respective staff associations understand and accept as fair and reasonable in the circumstances. I am not suggesting when I say this that they necessarily agree in all cases that the rates themselves are fair—

Mr. Deputy Speaker: I must interrupt the hon. minister, his time having expired.

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

APPENDIX

REFERENCES TO INTERNATIONAL JOINT COMMISSION ON WATER LEVELS AND WATER POLLUTION

The Secretary of State for External Affairs, Canada

Ottawa, October 7, 1964.

Mr. D. G. Chance, Secretary,
International Joint Commission,
75 Albert street,
Ottawa.

Dear Mr. Chance,

In order to determine whether measures within the great lakes basin can be taken in the public interest to regulate further the levels of the great lakes or any of them and their connecting waters so as to reduce the extremes of stage which have been experienced, and for the beneficial effects in these waters described hereunder the governments of Canada and the United States have agreed to refer the matter to the international joint commission for investigation and report pursuant to article IX of the boundary water treaty of 1909.

It is desired that the commission study the various factors which affect the fluctuations of these water levels and determine whether in its judgment action would be practicable and in the public interest from the points of view of both governments for the purposes of bringing about a more beneficial range of stage for, and improvement in:

(a) domestic water supply and sanitation,
(b) navigation,
(c) water for power and industry,
(d) flood control,
(e) agriculture,
(f) fish and wildlife,
(g) recreation, and
(h) other beneficial public purposes.

In the event that the commission should find that changes in existing works or that other measures would be practicable and in the public interest in light of the foregoing purposes, it should indicate how the various interests on either side of the boundary would be benefited or adversely affected thereby. The commission should estimate the cost of such changes in existing works or of such other measures and the cost of any remedial works that might be found to be necessary and make an appraisal of the value to the two countries, jointly and separately, of such measures. For the purpose of assisting the commission in its investigations and otherwise in the performance of its duties under this reference the two governments will upon request make available to the commission the services of engineers and other specially qualified personnel of their governmental agencies and such information and technical data as may have been acquired or as may be acquired by them during the course of the investigation.

The two governments have agreed that when the commission's report is received they will consider whether any examination of further measures which might alleviate the problem should be carried out, including extending the scope of the present reference.

The commission is requested to submit its report to the two governments as soon as may be practicable.

Yours sincerely,

Paul Martin.

The Secretary of State for External Affairs, Canada

Ottawa, October 7, 1964.

Mr. D. G. Chance, Secretary,
International Joint Commission,
75 Albert street,
Ottawa.

Dear Mr. Chance,

I have the honour to inform you that the governments of the United States and Canada have been informed that the waters of lake Erie, lake Ontario and the international section of the St. Lawrence river are being polluted by sewage and industrial waste discharged into these waters. Having in mind the provision of article IV of the boundary waters treaty signed January 11, 1909, that boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other side, the two governments have agreed upon a joint reference of the matter to the international joint commission, pursuant to the provisions of article IX of said treaty. The commission is requested to inquire into and to

report to the two governments upon the following questions:

(1) Are the waters of lake Erie, lake Ontario, and the international section of the St. Lawrence river being polluted on either side of the boundary to an extent which is causing or is likely to cause injury to health or property on the other side of the boundary?

(2) If the foregoing question is answered in the affirmative, to what extent, by what causes, and in what localities is such pollution taking place?

(3) If the commission should find that pollution of the character just referred to is taking place, what remedial measures would, in its judgment, be most practicable from the economic, sanitary and other points of view and what would be the probable cost thereof?

In the conduct of its investigation and otherwise in the performance of its duties under this reference, the commission may utilize the services of engineers and other specially qualified personnel of the technical agencies of Canada and the United States and will so far as possible make use of information and technical data heretofore acquired or which may become available during the course of the investigation.

The two governments are also agreed on the desirability of extending this reference to other boundary waters of the great lakes basin at an appropriate time. The commission is requested to advise the governments when, in its opinion, such action is desirable.

The commission should submit its report and recommendations to the two governments as soon as practicable.

Yours sincerely,
Paul Martin.

HOUSE OF COMMONS

Friday, October 9, 1964

The house met at 11 a.m.

PROCEDURE

MOTION FOR CONCURRENCE IN THIRTEENTH REPORT OF SPECIAL COMMITTEE

On the order: Motions:

Mr. Knowles (acting for the special committee on procedure and organization):

That the thirteenth report of the special committee on procedure and organization, presented to the house on October 7, 1964, be now concurred in.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, if the house does not agree with this suggestion I have no objection, but I wonder whether we could go ahead with the orders of the day and return to this motion immediately thereafter. There may be some discussion on this matter, and I would think it would be more in order if we finished the orders of the day and then returned to this motion. I am not trying to hold it up in any way; the questions would be concluded and then we could return to this matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I can speak only for myself, but I would say that as far as I am concerned I have no objection, provided it is understood now, without unanimous consent being required later, that we would revert to motions after orders of the day had been concluded. Of course, it is up to the house.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, I think we might accommodate the Leader of the Opposition.

Mr. Diefenbaker: I may say to the Prime Minister that there is no motion or anything of that kind to intervene. This is simply in order to expedite discussion.

Mr. Pearson: I have no objection to proceeding with orders of the day first.

Mr. Speaker: Do I understand that I should call motions and then go immediately to orders of the day, and revert to motions later?

Mr. Knowles: Yes, Mr. Speaker, on the understanding that when we revert to motions we will deal with both the thirteenth and fourteenth reports.

DOMINION-PROVINCIAL RELATIONS

STUDY OF PROVINCIAL ALLOCATIONS OF FEDERAL REVENUES AND EXPENDITURES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister in connection with an article appearing in today's issue of *Le Devoir*. I would ask him whether the government has in its possession a study of the distribution of federal administration expenditures in the ten provinces and whether this document is, according to the report by Jean-Pierre Fournier, one of major importance in connection with Canada's economy and also the position of the province of Quebec.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will ask the Acting Minister of Finance to answer this question.

Hon. Mitchell Sharp (Acting Minister of Finance): Mr. Speaker, the Department of Finance has been conducting a study of the allocation of federal revenues and expenditures among the ten provinces. This study is intended to provide material for answering questions on the subject asked by hon. members some months ago and referred to in the house the other day. Work has been going on in the department for months in anticipation of questions of this nature.

This subject was discussed at some length in the house on August 7 during the debate on the fiscal revision bill when the Minister of Finance indicated the nature of the work in progress and some of the difficulties being encountered. This study is only now being completed in the Department of Finance. The results are to be incorporated in replies to the questions asked hon. members; it has not yet been transmitted to the minister.

It will be evident that the assertions in the story in *Le Devoir* are untrue. The Minister of Finance was not given these completed figures three months ago, they have not been referred to the cabinet, and they have not been concealed.

Mr. Speaker: The hon. member for Villeneuve.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, my question was already asked by the right hon. Leader of the Opposition.

My question was about the famous report which the government supposedly received more than three months ago.

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, I would like to put a question to the Acting Minister of Finance to clarify the answer he gave the house a moment ago in connection with the study of the distribution of federal revenues.

Can he tell us whether or not the Minister of Finance has received a preliminary outline of the report to be submitted by his officials? If yes, can he say whether the minister has ordered a revision?

[*Text*]

Mr. Sharp: Mr. Speaker, the question is extremely complicated, and perhaps it would assist the house if I mentioned, for example, that one has to distribute sales tax collected at factories throughout all parts of the country. It would not be fair to say that all the sales tax collected at the factory in province A was paid by the consumers in province A; nor, for the same reason, would customs duties collected, for example, in the port of Montreal be properly attributed as revenues attributable to the province of Quebec, because those customs duties of course are paid by all Canadian consumers of those goods which pass through the port of Montreal. This is the nature of the problem; it is extremely complicated. The Minister of Finance has not seen any figures that have taken into account this redistribution of revenues collected at particular points.

Mr. Martineau: My question was directed to learning whether a preliminary report had been submitted to the minister.

Mr. Sharp: No preliminary report has been submitted which takes into account the factors that I have mentioned.

Mr. Martineau: Was any preliminary report whatsoever submitted?

Mr. Sharp: I do not understand the nature of the question, Mr. Speaker. Of course, you can look at public records and find out how much customs duty is collected at various ports. That information is available to the Minister of Finance. He has never seen any distribution of revenues amongst the ten provinces, as requested in the question asked in this house.

Mr. Speaker: The hon. member for Lotbinière.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Excuse me, Mr. Speaker, it is the second time that you have called my name. The question I wanted to put is the same as that put by the right hon. Leader of the Opposition (Mr. Diefenbaker).

[*Later:*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to direct a question to the Prime Minister.

Could he tell the house whether the government will have enough courage to publish those studies made on the distribution of the federal government's expenditures in the ten provinces, even if those figures were to show that the province of Quebec was the least favoured of all the provinces?

[*Text*]

Mr. Pearson: If the hon. member had listened and understood the answers given to this question he would have realized that this work is being done to secure information in reply to questions asked in the house and will automatically, of course, be made public.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to ask a supplementary question.

I should like to ask the Prime Minister whether he would agree to including two finance officials of the Quebec government among the officials of the federal government who are conducting this study, so as to eliminate the suspicions on the part of Quebeckers as to the objectiveness of certain federal officials?

[*Text*]

Mr. Pearson: Questions of this kind are answered on the responsibility of the government and with the advice and expert assistance of federal, not provincial, officials.

HEALTH AND WELFARE

CONSIDERATION OF ROYAL COMMISSION RECOMMENDATIONS BY DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime

Minister, in view of the submissions which have been made to the respective provinces by the various colleges of physicians and surgeons, particularly the more recent submission to the government of Quebec, suggesting a health insurance plan which would have the effect of dividing Canada into haves and have nots, whether he will give the house the assurance that when the federal government meets with the provinces it intends to place before them a proposal which would adhere to the basic recommendations of the Hall commission, particularly the recommendation that health services under such a plan should be available to all Canadians irrespective of financial ability to pay and without any means test.

Right Hon. L. B. Pearson (Prime Minister): Well, Mr. Speaker, as my hon. friend knows the recommendations of the Hall commission are being examined at the present time. The examination is concerned with a very important as well as a very complicated matter, and the Hall commission have made a very important series of recommendations. The examination will also be associated with consultation with the provinces in this matter. There is certainly no intention on the part of the government, in any action which I hope will be taken and put before the house, of making the kind of discrimination to which my hon. friend refers.

ONTARIO—INCREASE IN RATES UNDER PRIVATE HEALTH PLAN

On the orders of the day:

Mr. William Dean Howe (Hamilton South): I should like to direct a question to the Minister of National Health and Welfare. Is the minister aware of a motion passed unanimously by the Niagara Falls city council, protesting the increase in the P.S.I. insurance rates and urging the federal government to establish a national medical care plan, and, if so, what has been her reply to them?

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

EDUCATION

REPORTED STATEMENT RESPECTING STANDARDS IN CANADA

On the orders of the day:

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I would like to ask a question of the Prime Minister.

During a televised interview the high commissioner for Canada in London, Hon. Mr. Chevrier, stated yesterday in London that it was difficult for his daughter to be admitted to a British university because the teaching standards in Canada are much lower than those in Great Britain.

Could the right hon. Prime Minister tell us whether he approves that a Canadian diplomat abroad should thus belittle his country, and could he find out if it might not be the daughter of Hon. Mr. Chevrier who is not qualified to meet university requirements in Great Britain?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have a great many things to occupy my attention these days, but I will make inquiries as to whether in fact the high commissioner ever made such a statement.

NATURAL RESOURCES

MAGAZINE ARTICLE ALLEGING PLUNDERING BY U.S. SPORTSMEN

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to a fellow conservationist, the Minister of Northern Affairs and National Resources. My question is based on an article which appeared in *Maclean's* magazine on October 17, which was called to my attention by people who are interested in this subject. This article tells how wealthy United States sportsmen, ranging from generals to politicians, are plundering our last frontier. Would the minister inform the house what action he has taken to deal with this latest and graphic example of the plundering of Canadian natural resources by our United States neighbours?

Mr. Speaker: Would the hon. member put his question on the order paper.

Mr. Herridge: Mr. Speaker, I should like to give notice of my intention to deal with this question at the appropriate ten o'clock adjournment hour.

INCOME TAX

PROPOSED CHANGE IN METHOD OF REMITTANCE BY EMPLOYERS

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to address a question to the Minister of National Revenue. Is it the intention of the minister to make it

compulsory for employers to remit weekly income taxes collected at the source on a weekly basis rather than on the present monthly basis, due and payable on the 15th of the following month?

Hon. E. J. Benson (Minister of National Revenue): Mr. Speaker, I think the hon. member's question arises out of remarks I made recently in Montreal. At the present time the taxation division is studying the possibility of allowing employers to deposit the monthly remittances of taxes collected from employees in their local chartered banks to the credit of the federal government. At the time when employers in Canada make up their payrolls and deduct taxes from their employees, that money at that point is the property of the government of Canada. It is hoped that within a period of time after the practice to which I have referred has been put into operation, ultimately employers will enjoy the convenience of being able to deposit these collected taxes in their local chartered banks the same day they make up their payrolls. These taxes will be deposited to the credit of the government of Canada. It will be some time before this can be accomplished.

Mr. Hales: I have a supplementary question, Mr. Speaker. Is the minister saying in his present statement that the taxes must be remitted weekly rather than monthly? Does he realize the great inconvenience which will be caused to small businessmen if this practice is instituted?

Mr. Benson: Mr. Speaker, I did not say that. What I did say was that we are presently moving away from the practice of having monthly remittances made directly to the taxation division and toward a method of allowing the employers to deposit these taxes in their local chartered banks. I stated in my speech at Montreal that the ultimate step would be that the employers would deposit these taxes in their local banks at the same time as they write out their payroll cheques. The taxes collected belong to the government of Canada at the time they are collected. Under the present system there is some $100 million which remains in the hands of employers for a period of a month, and that money really belongs to the federal government.

Mr. Hales: A supplementary question, Mr. Speaker. I am sure from the minister's remarks that they will be made weekly. Am I correct in that assumption?

[Mr. Hales.]

Mr. Benson: No. It will depend on the payroll period, which may not be weekly. I should also like to point out to the hon. member that such a step is quite some distance away, because it will take us a good deal of time to get a system working whereby they can deposit monthly.

INDUSTRY

REPORTED STATEMENT RESPECTING ESTABLISHMENT OF AUTOMOBILE INDUSTRIES

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Témiscamingue): Mr. Speaker, may I direct a question to the Minister of Industry?

Can the hon. gentleman tell us whether there is any truth in the report from Paris to the effect that an agreement between the Canadian government and the Peugeot and Renault companies is nearly concluded and that a press release will be issued next week?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I believe that question was asked yesterday and the Prime Minister (Mr. Pearson) answered that a statement would be made in the near future.

[*Text*]

TRADE AND COMMERCE

REQUEST FOR INVESTIGATION INTO INCREASED SOAP PRICES

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, my question is for the Minister of Trade and Commerce. It is based on a news item appearing in this morning's Montreal *Gazette* regarding an increase in soap prices that is now being passed on to the retail trade. I notice in this report that the reason given for this increase by the companies concerned is an increase in the price of raw materials. As a very large proportion of these raw materials are derived from the developing countries of Africa and we have continuing reports of a decline in such prices, and complaints in this regard were again voiced by African delegates at the interparliamentary union conference in Copenhagen, is the minister prepared to investigate the situation and also investigate what appears to be considered evidence of a combination for price fixing among these large corporations?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, this is a question that relates to many departments. I can assure the hon. member that I shall make inquiries and I will have suitable inquiries made elsewhere in the government as well.

TRANSPORTATION

QUEBEC—PROPOSED REDUCTION IN C.P.R. TRAIN SERVICE

On the orders of the day:

[*Translation*]

Mr. Gérard Girouard (Labelle): Mr. Speaker, I had a question for the Minister of Transport but, in his absence, I shall put it to the acting minister.

Could the minister ask the board of transport commissioners to intervene without delay with the C.P.R. and have the company reconsider its decision to cut to three trains per week its service between Montreal and Mont Laurier and to operate fewer trains between Ottawa and Montreal, on the north shore of the Ottawa river, that is on the Quebec side? Such a change will be highly prejudicial to workers, students and business people in general.

Second, could the minister not convince the government that it would be better to give a grant to the C.P.R., if necessary, so as not to imperil any further the economy of my riding which is already considered as a designated area?

[*Text*]

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

[*Translation*]

Mr. Girouard: Mr. Speaker, I wish to give notice that I intend to discuss this matter at ten o'clock, at the next opportunity.

[*Text*]

INDIAN AFFAIRS

INQUIRY AS TO TERRITORIAL PARTICIPATION IN CONFERENCE

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether he is in a position to answer the question I put to him on October 1, which was whether he would allow the governments of the Yukon and Northwest Territories to participate as observers in the forthcoming federal-provincial conference on Indian affairs.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, it gives me great pleasure to answer the question asked by the hon. member and to inform the house that my colleague, the Minister of Northern Affairs and National Resources (Mr. Laing) and myself have decided to invite both commissioners of the Yukon and of the Northwest Territories, to attend that conference on Indians as observers. Also, some high officials of the Department of Northern Affairs and National Resources who have responsibility over education in both those territories will be invited to attend that conference.

[*Text*]

Mr. Frank Howard (Skeena): A supplementary question, Mr. Speaker. Would the minister not agree that it would be equally appropriate to invite as observers some of the native Indian people themselves who have a vital interest in this question?

[*Translation*]

Mr. Tremblay: Mr. Speaker, as I have already stated, that federal-provincial conference is at the level of ministers and officials of both governments. Its object is to discuss a program which will then be systematically submitted to all the Indians in the country.

I think this procedure is the best way to bring a solution to the problem, which is to co-ordinate policy. There should be an initial conference at government level and, then, discussions of various formulas with different Indian groups in order to have their suggestions concerning those programs.

[*Text*]

Mr. Erik Nielsen (Yukon): A supplementary question, Mr. Speaker. Is the minister taking any steps to solicit the views and ideas of the Indian people on a national scale, inasmuch as their views should be placed before the participants in the conference at the time of their discussions?

[*Translation*]

Mr. Tremblay: We thought it better first to hold a conference at the government level before inviting the comments of the Indians on those policies, because we want to be able to submit to the Indians a co-ordinated program implying participation, for various reasons, of the various administrative levels of the country.

We feel that the Indians will be more satisfied with a program which will have been

discussed first from the administrative and financial viewpoints at the level of the various governments.

[*Text*]

Mr. Howard: May I ask a supplementary question. I wonder if the Minister of Citizenship and Immigration has consulted with his colleague the Minister of National Health and Welfare to ascertain whether she has changed her mind about the fact that the Indians should be consulted prior to any of these discussions and prior to any decisions being made.

Mr. T. C. Douglas (Burnaby-Coquitlam): Before the minister answers that, may I ask a supplementary question. At the same time would he consider also the fact that while it is hoped the ministerial meeting to discuss Indian affairs will arrive at some conclusions, rather than presenting these conclusions to the Indians would it not be advisable to have Indian representatives present in order that they may be consulted at the time the decisions are being made?

[*Translation*]

Mr. Tremblay: Mr. Speaker, decisions will not be arrived at by that conference. At that meeting the federal and provincial governments will discuss the problems which might be raised by the extension of provincial services in the various provinces.

It is thought that a more systematic and efficient discussion might take place after the conference, if discussions were held during that conference they would involve both the relations of the governments with the Indians and those of the federal government with the provincial governments. It is felt that the interests of the Indians will be better served in this way.

This program in regard to the Indians includes no decisions whatsoever, but merely suggestions, and we shall be happy to make all the necessary changes in the program after we receive the recommendations and suggestions from the Indians.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the minister whether there has been any request from any Indian organization or band anywhere in this country to have the jurisdiction of the federal government over Indians sublet, transferred or assigned to the provinces. This is a very serious step and one that places the Indians in a position of subservience before the Indians have ever made any request for this. It looks like a very high handed practice.

[*Translation*]

Mr. Tremblay: Mr. Speaker, I would like to say this. A distinction must necessarily be made between the provincial services which were extended in the field of education under the administration of the Leader of the Opposition as well as by other governments.

A distinction must be made between the availability of certain provincial services to the Indians and the transfer of jurisdiction.

As I said, it is not a matter of transferring federal jurisdiction to the provinces, and I know that all or most Indians in this country are opposed to the federal government's powers being transferred to any provincial government whatsoever. On the other hand, I am well aware that all our Indians are only too glad when they are given the same advantages as other provincial citizens where social security and education are concerned.

As for the way in which provincial services can be made available to Indians, we shall be glad to discuss the matter with the Indians so as to hear their opinions and their suggestions regarding these programs.

[*Text*]

Mr. Diefenbaker: Then the minister has said that the Indians would be very satisfied to have certain jurisdiction—

Some hon. Members: No.

Mr. Diefenbaker: Not jurisdiction but the administration—

Some hon. Members: No.

Mr. Diefenbaker: I should like to get the distinction, because if I cannot get it I feel sure the Indians are not likely to get it.

Mr. McIlraith: I am not too sure.

Mr. Diefenbaker: I do not know what the interruption was from the President of the Privy Council.

Mr. McIlraith: I said I am not too sure of that.

Mr. Diefenbaker: The minister says the Indians as a whole are desirous of having the advantage of the social services in the provinces. When did consultation with the Indians take place which leads him to make such a statement, which in my opinion has no justification?

[*Translation*]

Mr. Tremblay: Mr. Speaker, all the officials of the Indian affairs branch are constantly in

touch with the Indian chiefs and the chairmen of the Indian councils, and the department has been aware for years of those needs, so much so that in the case of the province of Ontario, certain agreements have been reached with the provincial authorities in order to allow Indian children to attend Ontario schools. In fact, this trend has prevailed in Canada for many years.

But instead of reaching special agreements, what the government wants to do now is to establish an over-all program for the country, precisely so that what has been done for years in some provinces may be achieved within over-all programs, which will be to the greatest advantage of the Indians themselves.

[*Text*]

Mr. Diefenbaker: Is this general plan designed to provide an opportunity whereby the Eskimo problem in Labrador will be easily solved? Is this what is behind this plan?

[*Translation*]

Mr. Tremblay: Mr. Speaker, contrary to the suggestion just made by the right hon. Leader of the Opposition, this conference will deal exclusively with Indian affairs.

[*Text*]

Mr. Diefenbaker: The Eskimo is an Indian today.

Mr. Howard: I wonder if I might direct a question to the acting house leader, further to the questions which have just been asked. I should like to ask whether in view of what, to me, appear to be contradictory or vague statements made by the Minister of Citizenship and Immigration on this subject he does not think it would be advisable to recall the estimates of the Indian affairs branch either immediately or at an early date, so we might have an opportunity to ascertain exactly what is in the mind of the government with regard to this matter.

Hon. G. J. McIlraith (President of the Privy Council): I will be glad to take the suggestion made by the hon. member under consideration, but I would point out to him that his remarks or comments are undoubtedly due to the fact that questions on the orders of the day are going beyond what the rules provide.

An hon. Member: Judge McIlraith.

Mr. Eldon M. Woolliams (Bow River): In his replies to certain of the questions which have been asked the minister said decisions are made without consultation with the chiefs of the Indian councils. Is he prepared to tell us that the chief of the Blackfoot reserve, the chief of the Sarcees and the chief of the Gleichen reserve are satisfied with the consultation they are getting?

Mr. Speaker: Order. It seems to me we have had an extended discussion on this matter. Surely that is a question for the order paper.

Mr. Nielsen: One brief supplementary. Is the minister telling the house that the final solution to the Eskimo problem in Quebec will not be discussed at this conference?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I said the Department of Citizenship and Immigration had only jurisdiction over the Indians, according to the definition of the Indian Act, and that the conference would deal only with the problems of the Indians.

If, at that conference, any province, Newfoundland for instance, is interested in certain questions relating to Eskimos, arrangements could be made with the Department of Northern Affairs and National Resources. But the conference will only deal with problems concerning Indians who come under the Indian affairs division of the Department of Citizenship and Immigration.

[*Text*]

Mr. Nielsen: May I direct a question to the minister of northern affairs, and ask him whether he will be attending that conference.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): If the question of Eskimos in Ungava is being discussed I certainly anticipate I will be there. I do not think it has been pointed out that while the determination of the Supreme Court of Canada was that Eskimos are a tribe of Indians, Eskimos and their administration are expressly excluded from the powers of the Indian Act. The discussions which are to take place are in relation to the Indian Act.

Mr. Douglas: May I ask the Minister of Citizenship and Immigration whether a copy of the agenda for the projected conference will be made public prior to the conference so that members of the house may have an opportunity to see it? Second, are we to take it from his remarks that the minister's concept of the Indian consensus on this whole question of federal-provincial services has been obtained from the reports he gets from

the Indian agents rather than as a result of direct consultation with the Indians themselves?

[*Translation*]

Mr. Tremblay: No, Mr. Speaker, what I said is that the Indians' needs regarding provincial services are referred to us by the various agents who are in contact with those who wish to obtain increases in allowances, unemployment benefits, welfare benefits, etc., or who wish to attend such or such provincial school.

Still, in so far as the over-all program is concerned, as I have mentioned the matter will be submitted to the Indians for their suggestions. No decision will be taken by the government before those consultations have been held and the Indians themselves have made their suggestions, for as I have already said they are the ones who are most interested in any program concerning them.

[*Text*]

Mr. Douglas: What about the agenda for the conference?

[*Translation*]

Mr. Tremblay: Mr. Speaker, I shall be pleased to send to the hon. members a copy of the agenda which lists the problems to be discussed.

[*Text*]

[*Later:*]

Mr. Nielsen: Mr. Speaker, I have a question for the Prime Minister. In view of the serious constitutional problems involved with respect to the obvious intention of the government regarding the transfer of responsibility for and jurisdiction over the Indian people of Canada—

Mr. Speaker: Order. Would the hon. member state his question quickly and not make extraneous remarks.

Mr. Nielsen: In view of this obvious intention of the government, will the Prime Minister consider, under enabling legislation to that effect, referring the whole question of the right of the executive to transfer jurisdiction to the Supreme Court of Canada, as the government is entitled to do under enabling legislation?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker; I think we should proceed with the conference as planned.

POST OFFICE DEPARTMENT

APPLICATION OF MINIMUM WAGES AND HOURS LEGISLATION TO EMPLOYEES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of Labour. Has the minister received a protest that employees of small post offices are not included under the terms of Bill C-126 relating to minimum wages and hours in federal undertakings?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker.

Mr. Aiken: Is consideration being given to rectifying this glaring error in the bill?

Mr. MacEachen: It will be possible on second reading of the bill to clarify the relationship of the provisions of that bill to the class of employee mentioned by the hon. member.

Mr. Aiken: Do I understand, then, that some consideration is being given to the inclusion of these employees?

Mr. Speaker: Order. This is extending the debate beyond all limits.

ADMINISTRATION OF JUSTICE

SPEECH BY JUSTICE MINISTER RESPECTING TREATMENT OF OFFENDERS

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I had a question for the Minister of Justice, but in his absence perhaps I may direct it to the Prime Minister. In view of the strong views of the Minister of Justice concerning the treatment of offenders in Canada, as indicated in a speech made last night, is the government now going to take a strong hand in the prevention of the phasing out of certain minimum security institutions?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to discuss this matter with the minister and perhaps he will reply next week.

HOUSE OF COMMONS

NEWSPAPER REPORT CONCERNING MEETINGS OF HOUSE LEADERS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the acting house leader. I would ask the acting

house leader whether he has seen the article in this morning's *Globe and Mail* by Mr. George Bain, giving an inaccurate report of a confidential meeting of the house leaders held in the minister's office. I know how fair minded the minister is and I would ask him, if he has seen the article, if he will state to the house that it is inaccurate, and in particular the sentence which says that at that meeting "there was no objection".

Is the minister prepared to state that when he suggested a change for the estimates of the Department of Justice from Thursday to Wednesday, I said that I had no authority to speak for my party without consultation, and that if a change was to be made it must be made by the Secretary of State for External Affairs himself, who had earlier suggested that Thursday would be the day rather than Wednesday?

Hon. G. J. McIlraith (President of the Privy Council): Mr. Speaker, I regret to have to advise the house that due to other heavy demands on my time this morning I have not seen the *Globe and Mail* today. I have not talked to Mr. George Bain for some considerable time; I do not know how many days ago, but many days ago, and certainly not this week.

I know nothing about the story. I regarded the meetings that took place as confidential. I regret very much that the house leader for the official opposition has seen fit to disclose what he regards as part of the discussion that took place in a confidential meeting. For my part, if he is going to attempt to disclose parts of those meetings I am going to have something to say, too, and disclose them all.

Some hon. Members: Hear, hear.

Mr. McIlraith: I regret very much the house leader for the official opposition attempting to disclose—

Mr. Laing: Nibble.

Mr. McIlraith: Yes, or nibble away at what I regard as a confidential meeting. I propose for my part to retain that confidentiality, and I am not going to say more on the subject at this time.

Mr. Churchill: I rise, then, on a question of privilege—

Some hon. Members: Oh, oh.

Mr. Churchill: —and I withdraw my remark about the minister being fair minded.

Some hon. Members: Oh, oh.

Mr. Churchill: My question of privilege is this; that a confidential meeting held in his office has been disclosed to the press, and the report is inaccurate. I think this is a matter that should be taken up by the house. I regret that I did not see the article until I entered the chamber this morning; otherwise I would have prepared a suitable motion.

Mr. McIlraith: I have not seen it yet.

Mr. Churchill: I reserve the right to raise this matter again, Mr. Speaker.

Mr. Byrne: Don't be so thin skinned.

Mr. Churchill: I am not thin skinned at all. I do not object to these reports, but I would prefer that they be accurate rather than inaccurate. This is casting a slur on the Progressive Conservative party and is a deliberate slur on me by the author of this article, without any consultation with me whatsoever. I would like to know who disclosed the confidential character of the meetings in the minister's office. As I say, Mr. Speaker, I reserve the right to raise this matter again.

Mr. McIlraith: Mr. Speaker, I hope the hon. member is not suggesting that I disclosed this information. I know nothing about the article. I am in that position; and if the hon. member has his problems, that is up to him.

Some hon. Members: Hear, hear.

Mr. Churchill: I made no suggestion that the minister had made this disclosure, but I draw his attention to the fact that a confidential meeting in his office has been disclosed to the press and that it is an inaccurate disclosure. I thought the minister would at least state the facts as they are, so the record would be clear; but he has neglected to do so. I think it is a disgrace on the part of the minister not to straighten the matter out.

Mr. Speaker: With the unanimous consent of the house, I suggest that we now revert to motions.

CANADIAN BROADCASTING CORPORATION

COVERAGE OF VISIT TO OTTAWA BY THE QUEEN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I do not want to delay the proceedings and I would be very glad to have the house revert to motions, but I am waiting for an answer to a question I

asked on October 7 with regard to the broadcast of Her Majesty's arrival in Ottawa on Sunday. The Secretary of State was to give a reply, and I see he is here now. I would ask him what the C.B.C. said with reference to the article to the effect that the C.B.C. was downgrading the Queen's activities, in one particular by not broadcasting her arrival in Ottawa on Sunday next.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, if I am not mistaken I said to the right hon. gentleman that I would convey his views to the C.B.C. I am now informed by the Canadian Broadcasting Corporation that in planning coverage of the events in connection with Her Majesty's visit to Ottawa it was decided to give live television coverage to the war memorial ceremony on Monday morning and the departure from Uplands on Tuesday morning. The C.B.C. has already covered fully the two arrivals in Prince Edward Island with all their colour and ceremony, and will also cover the arrival and other events in Quebec city.

As to the arrival of the royal party in Ottawa on Sunday evening, this will take place after dark with minimum ceremonial display. Consequently this event will be covered for the national audience by the C.B.C. news service for French and English networks that evening.

[*Translation*]

Mr. Auguste Choquette (Lotbinière): Mr. Speaker, I should like to direct a supplementary question to the Secretary of State.

The C.B.C. covered the arrival of Her Majesty Queen Elizabeth II; could the minister tell the house whether any favourable comments have been received in regard to that coverage?

Mr. Lamontagne: No, Mr. Speaker, I, personally have received neither favourable nor unfavourable reports.

[*Text*]

EXTERNAL AFFAIRS

REFERENCE TO INTERNATIONAL JOINT COMMISSION ON POLLUTION OF RED RIVER

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, on behalf of the Secretary of State for External Affairs I wish to inform the house that the governments of Canada and the United States of America have agreed to place jointly before the international joint commission a reference on pollution in waters crossing the international boundary in the Red river.

In view of the interest which the house has taken in this matter it may be the wish of the house that this reference, which is in the form of a letter from the Secretary of State for External Affairs to the secretary of the international joint commission, should be printed as an annex to *Hansard*. This reference and the two references which I brought before the house yesterday I will now table.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

[*Editor's note: For text of letter referred to above see appendix.*]

PROCEDURE

MOTION FOR CONCURRENCE IN THIRTEENTH REPORT OF SPECIAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre) moved that the thirteenth report of the special committee on procedure, presented to the house on Wednesday, October 7, be now concurred in.

He said: Mr. Speaker, it is my privilege and honour to move concurrence in the thirteenth report of the special committee on procedure and organization, and to do so on behalf of the committee. I trust hon. members have read this report, which was made part of *Votes and Proceedings* for Wednesday, October 7, but I think it would be desirable that a brief summary of what we are now proposing be given to the house and thus placed on *Hansard* at this time.

May I say at the outset that as with previous proposals which this committee has recommended to the house, we are suggesting that the ones we are now proposing be adopted for the remainder of the present session, unless otherwise ordered by the house.

We are making at this point, Mr. Speaker, proposals with respect to three phases of our procedure, and I shall now deal with them one at a time. In the first place we are proposing changes in standing order 26 (3). Standing order 26, as all hon. members know, is the one under which it is possible from time to time to seek to move the adjournment of the house for the purpose of discussing a definite matter of urgent public importance. So far as this standing order is concerned we are not proposing anything new, if one has in mind our present practices. However, there are two aspects of our present practice with

respect to standing order 26 which it might be said are not completely clear. What we are trying to do in this proposal is to tidy up standing order 26; we are trying to make these two points crystal clear.

The first point has to do with the right of members from the floor to speak to the question of debate before Your Honour rules whether there is such urgency. We propose that the right, which has now been accepted more or less in practice, be written into the rule itself. The sentence we propose to accomplish this is:

If Mr. Speaker questions the urgency of debate with respect to the proposed matter, he may invite members to speak on the question of such urgency.

The other point about standing order 26 concerning which there might be said to be some ambiguity is whether there is the right of appeal against Mr. Speaker's ruling in those cases where he rules that a motion is not of sufficient urgency to be allowed debate under the standing order. This matter has been debated a number of times and votes of the house have been taken. Those votes, as Your Honour and the previous Speaker know, have gone both ways. The majority of the votes and the more recent ones have been to the effect that there should not be an appeal. So we would write into the standing order words to the effect that, provided Mr. Speaker has listened to argument from the floor, any ruling that he then makes is not subject to appeal, and the sentence we propose to put into standing order 26, section (3) reads as follows:

Any ruling made by Mr. Speaker after listening to argument on the question of urgency shall not be subject to appeal, notwithstanding the provisions of standing order 12 (1).

Those then, Mr. Speaker, are the two matters concerned with standing order 26. As I say, we are tidying it up. We are writing into the rule what we have accepted in practice; and it is the general view of the committee, and I think the general view of members, that it would be a good idea to have this matter made definite. That is what we propose in the first of these three suggestions we now make.

I come now to the second of the proposals that Your Honour's committee presents to the house at this time, and it has to do with the resolution preceding what is called a money bill. As hon. members know, there has been discussion for a long time about the debate on a resolution preceding a money bill. Before 1955 there were two stages of debate prior to a money bill itself being presented; there was debate on the motion for Mr. Speaker to leave the chair to go into committee of the whole on the resolution; then there was debate in committee of the whole on the resolution itself. In 1955 we amended the rule to eliminate the debate with Mr. Speaker in the chair, but we continued the debate in committee of the whole.

There has been an expression of opinion, which has been widely supported, that we might consider doing away with that stage of debate altogether. As a matter of fact there has been wide support for that abolition on the floor of this House of Commons. However, Mr. Speaker, there are procedural arguments for retaining at least a limited debate on a resolution preceding a money bill, and there is at least an element of doubt as to whether, under the constitution, we have the right to abolish the reference of such a resolution to a committee. I might say that very learned experts on parliamentary and constitutional procedures have said that doubt could be set aside, but if the doubt is there at all it seems to us that we should not fly in the face of it.

Therefore, Mr. Speaker, we are not recommending the abolition of the debate on a resolution preceding a money bill. We are in fact recommending that it be retained, but that the debate on such a resolution in the committee of the whole be limited to not more than one sitting day. We define a sitting day in our proposed standing order in what I think are explicit terms. We make it clear that if such a resolution preceding a money bill is the first item called under government orders on a Monday, Tuesday, Thursday or Friday, and if it continues to the end of any one of those days, that is a full sitting day, and at that point that debate is terminated. However, in order to make it possible for such an order to be called at some other time—as the second or third item on one of those days, or on a Wednesday—we provide that under any other circumstances than the first one I indicated, five hours of debate in committee of the whole on a resolution preceding a money bill shall be considered to be the equivalent of one sitting day.

Once we provide for a limit of that kind on a debate, obviously the question arises as to what happens if one, two or more people, who have unlimited time, take up a good portion of the day, and is that fair? We recommend that when we are in committee of the whole on a resolution preceding a money bill, notwithstanding the provisions of

other orders, all speakers shall be limited to 20 minutes. We make no change in the right to speak more than once, in other words no change in the right to ask questions and give answers, but we do limit each speaker to 20 minutes at any one time.

It will be seen that we are trying to get this debate back to its original character, namely an occasion when there can be inquiries and short statements about the financial provisions of the measure itself. Your committee, sir, is strongly in support of this proposition and believes it is a good one for the house to try out. Therefore we present it to the house in the name of Your Honour's committee at this time, and we hope it will commend itself to the house generally.

Sir, I come now to the third and last of the proposals contained in this thirteenth report, and this has to do with the consideration of clause 1 of bills when we are in the committee of the whole. There is a general feeling, certainly shared by the members of Your Honour's committee, that our opportunities for general debate are more numerous than they need be. We have the opportunity of a general debate on a resolution preceding a money bill. We have the opportunity of a general debate on second reading. Then immediately we get into committee of the whole it is possible to have another general debate on clause 1. Every bill also has somewhere—in clause 3 or 4, or perhaps in more than one—what might be called its main operative clause, and under that main operative clause it is possible to have wide general debate. We think that some of the length of time we spend, and some of the repetition in which we indulge, may be due to this arrangement. In most cases clause 1 of a bill provides only a short title. I might say that it is the practice in the parliament of the United Kingdom to have that short title at the end of the bill rather than as its first clause. We think, therefore, without changing the structure of bills at all, that there is a very simple answer to this situation.

We now have standing order No. 78 (1), which states that the title and the preamble are not considered until the rest of the clauses of the bill have been considered. We suggest that the same thing should apply to clause 1 of a bill, and that when we get into committee of the whole to consider a bill, clause 1 should not at that point be called if it contains only a short title. Of course if it is clause 1 of an amending bill and contains substance, or something other than the short title, then this standing order will not apply. However, if clause 1 contains only a short title we suggest the committee move immediately to clause 2 and on through the clauses of the bill, and when all the other clauses have been dealt with, that clause 1 then be called.

May I point out, Mr. Speaker, that we are not eliminating the possibility of general debate in the committee of the whole, because there is in every bill a main operative clause. As I say, it is usually clause 3 or clause 4, in respect of which general discussion is possible. We are not even eliminating the possibility of general discussion on clause 1, because we are providing that it be called after the other clauses have been disposed of. But we believe that if at that point the bill has been thoroughly discussed, and possible amendments have been dealt with, the chances that members will want to discuss clause 1 at length are a bit on the slim side. We think, therefore, that technical though this change may seem—switching the discussion on clause 1 from the beginning to the end—it would have a time saving and useful effect.

Mr. Speaker, if the house will consider these last two proposals together—the second and third proposals of this report, limiting the debate on resolutions preceding money bills to one day, and transferring the consideration of clause 1 of bills to the end of the consideration by the committee of the whole—I think it will realize that we are making suggestions that do not in any way curtail or limit freedom of speech, and do not in any way interfere with the right of the fullest possible examination of measures that are brought before it, but that on the other hand they provide for sharper and crisper debate. We believe these proposals, which are being made in this house in the name of the special committee on procedure and organization, are good and worth-while proposals. We dare to believe that having tried them out the house will want to continue them in future sessions. At this moment we recommend that they be tried out from the time this report is adopted, as I trust it will be, until the end of the present session.

Therefore, on behalf of Your Honour's committee on procedure and organization, I commend this thirteenth report to the House of Commons for its endorsation.

Mr. G. W. Baldwin (Peace River): Mr Speaker, the hon. member for Winnipeg North Centre has outlined, in more detail

than I shall attempt, the reasons behind the presentation of this report of Your Honour's committee to the house for its approval.

I should like to make one or two brief observations and a general comment. In respect of the question of appeal, it has been my view for some time, I think shared by other hon. members, that the whole question of appeals from Your Honour's rulings must receive consideration. There are many anomalies, not the least of which is the fact that basically the chairman of a standing committee has considerably more authority that Your Honour in that, as precedent now stands, there is no appeal from his ruling, nor can an appeal from his ruling be brought into the house for further consideration. This is one aspect which I think in due course will lead to a full report on this whole question.

However, in taking this step I assume we are conducting what might be termed a form of clinical research, because in presenting these amendments to the house for the duration of this session, the extent of which is now unknown, we will have an opportunity to see how they develop and work out in practice.

On the question of the discussion on the first clause in committee, there is no doubt in my mind that here there has been unnecessary and repetitious debate. I think this is a situation which might well be cured by the proposed amendment, and that even the most hardened offender in respect of the rule against repetition will be inclined to let the opportunity pass when he is confronted with the chance to repeat what he has already said after going through the clause by clause discussion in committee. If, on the other hand, something develops during the course of the clause by clause discussion which justifies him in making a further contribution, he has that opportunity.

The third item which did give us some concern was the question of the resolution stage on matters involving the expenditure of money, where a recommendation is made by the government to the house. As the hon. member for Winnipeg North Centre has said, there is a constitutional aspect which is of interest. There is, of course, another aspect which caused a great deal of concern and on which there was a considerable amount of discussion. In limiting the debate to one day we felt compelled, in spite of other standing orders of the house, to limit each member to 20 minutes. This trespasses, of course, on the traditional rights of the Prime Minister and the Leader of the Opposition. As I say, this matter did give us concern and evoked discussion and argument. I think I can safely say it was as a result of compromise that our recommendation was brought forward in this way. My view, Mr. Speaker, is that in due course I should like to see the complete abolition of the resolution stage, but there is grave doubt in that regard because of the possible constitutional cloud entailed in section 54 of the British North America Act.

There is also another aspect which hon. members will have in mind, namely that it is at the resolution stage that members have the opportunity to put forward alternatives to legislation which has not yet been presented. Once legislation has been introduced and comes up for second reading there are strong limitations on the opportunity of a member to make his views known as to possible alternatives. It would be my hope that at such time as we are able to agree to abolish the resolution stage we might also consider widening the powers of individual members to bring forward amendments, so they will not be bound and trammelled as they are today by the existing rules. It is quite notorious that the opportunity of a member in committee or elsewhere to bring forward substantive amendments is definitely limited, and the resolution stage on financial measures has provided some extension of that opportunity.

Finally, by way of general comment let me say that I am one of those who believe that the standing orders as they now are, with the addition of the precedents and decisions laid down over the years by Your Honour and your distinguished predecessors, are in sum total adequate to cover almost any contingency which may arise in the house. But that does not mean that from time to time members who feel they have a just cause to put forward do not override the rules. I am not inciting members to do this, but this is a situation which does develop because of the nature of the house, because of the type of men and women who are members of the house, and because of the issues which come before the house from time to time.

It has happened in the past that the rules have not always been adhered to, and it will happen again. I think it would be a sorry day for the house and the country if that did not happen, if we had a situation where a session would start and finish without someone, in pursuance of what he felt was a worthy and most desirable objective, going to lengths which the Chair might feel were in excess of the standing orders.

Having said that, it does not mean that we should not, in an effort to ensure that our procedures will be regular and that traffic will flow smoothly and adequately, make provision in minor ways for bridges, overpasses and stop lights so the traffic can be regulated and made to flow smoothly. In that sense, subject to what I have said, these are the types of amendments that the committee has offered to the house today.

Miss Pauline Jewett (Northumberland): Mr. Speaker, as a member of the committee on procedure I take pleasure in joining with the hon. member for Winnipeg North Centre and the hon. member for Peace River in asking for concurrence of the house in these reports. I endorse the remarks that have already been made about them, and I hope and expect that all members of the house will do likewise.

Indeed, since one of the reasons for the recommendations is to remove some of the extraordinary repetition in debate that goes on in this chamber, I shall not violate the spirit of these recommendations by engaging now in any repetition of the excellent remarks that have already been made by the two hon. members I have just mentioned.

I would simply say that in my opinion these steps are very modest ones. Perhaps as a newcomer to the house one is more impatient to make somewhat sharper and more drastic reforms in the procedures of the house. These are modest steps but they are extremely important ones and will, I hope, lead to further reports in other areas in which there is an equal need for reform.

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to deal briefly with one of the concepts in the report, namely that there should not be an appeal from Your Honour's decision. May I say first that in essence I agree with this contention. However, without any disrespect to yourself and knowing that you will not take offence at what I am about to say, I would point out that the degree to which members accept the idea that there should not be appeals from your rulings will be influenced by the person who holds the office Your Honour now holds, and the circumstances under which he holds it.

For argument's sake, as long as we have a Speaker who at least at some time during his term of office engages in partisan activities—I refer now to elections—we are likely to have less than the desirable degree of respect for what is supposed to be the non-partisan approach of the person who holds that office.

I think there would be greater acceptance of the principle of no appeals from Your Honour's rulings if Your Honour held the position permanently. If we had a situation in Canada, and I hope we will reach this stage, where the position of Speaker was a permanent one and the Speaker was not forced to engage in partisan activities at election time in order at least to be returned as a member of parliament, if not to hold the office of Speaker again, it would be much easier for us to accept the idea of no appeals from Your Honour's rulings.

We have advocated the concept that every constituency should be represented by a member who is able to speak on behalf of his constituents in the House of Commons and engage in the debates that take place. This is a privilege Your Honour does not now have. To this end we have suggested that members of parliament should elect the person to fill the position of Speaker and for that purpose we should declare the House of Commons to be a constituency so that Your Honour would in effect be our member of parliament. No constituency of Canada would thereby be deprived of a vocal member representing it by virtue of his attaining the office of Speaker. If we could get to this stage I think there would be a great desire on the part of members to accept the idea that Mr. Speaker's rulings should not be subject to appeal, regardless of the circumstances under which those rulings were issued.

It is fortunate, I think, that the proposed changes are to apply for a temporary period of time; that this is really to be a sort of testing period to see how the rules work in practice and whether the practice meets the theoretical concept the proposers had in the first instance. It has long been our contention that the debate at the resolution stage preceding money bills is rather superfluous. In effect we have had two second reading debates, one of them occurring at a time when we do not know the contents of the bill itself, except as they may be referred to in the resolution under consideration. In essence I endorse this idea that the debate at the resolution stage preceding money bills really creates a situation where superfluous debate can take place.

I would rather have seen the committee tackle this with a bit more firmness and attempt to eliminate debate at the resolution stage, rather than just confine it to one day and also restrict each speaker to 20 minutes. What I think is likely to occur is that we will

push the backbencher farther into the background during this debate at the resolution stage. It will, in effect, become a sort of leaders' day, even though there is a 20 minute time limit on speeches. Those who are leaders or who are in the forefront of their parties will have a greater opportunity to engage in this debate, and the backbencher will have a lesser opportunity than exists now to engage in the debate at that stage. As I have said, I would rather have seen the elimination of debate at this stage than to approach the matter in this way. The confinement of the debate will have a tendency to give less and less respect to the ideas and desires of the backbencher.

I have some reservations, too, about the effectiveness of the third proposal, that is consideration of clause 1 at the end of the bill. Even though this may not have been in accordance with the rules, even though the hope might not have been realized because of the exigencies of political activity in the house, we had looked upon the consideration of clause 1 of the bill as a time when, because we were in committee and it was possible to ask specific questions of the minister and get replies from him without closing the debate, we would have the opportunity to get some indication in a detailed way about the effect of the provisions of the bill which it is not possible to do during second reading. As you know, the second reading debate is more formalized, and when the minister speaks the second time he closes the debate and that is the end of consideration of the bill at that stage. Clause 1 did appear to provide an opportunity, especially for members of the opposition, to get more detailed information about the effect of the bill than was possible at second reading. This enables the opposition to make up their minds about the principle of the bill and its subsequent clauses, even though it might not be possible to refer in detail to any of the subsequent clauses.

I have some reservations, therefore, about the effect of the third proposal. However, my attitude about it is not put forward in a way that would lead to opposition to the proposal before us.

As I have said, these proposals are to be applied on an interim basis. There will be a testing period for these rules in the days ahead, just as there has been in the past in respect of changes in the rules. If these proposals, or some of them, become permanent we may be able to develop a set of rules that will permit the orderly dispatch of public business and allow parliament to proceed in a more efficient way than has been the case in the past.

Mr. H. A. Olson (Medicine Hat): I only want to say a few words about this and to give general support to the recommendations of the committee. I urge concurrence in the motion by the hon. member for Winnipeg North Centre.

So far as the first proposal is concerned, that of tightening up the provisions of standing order No. 26, I think the present provisions make it almost a violation of the rules for Your Honour to ask for advice from members as to whether there is urgency of debate. I think it would be helpful to the Speaker at any time to invite some comments from various corners of the house before a decision is reached as to whether there is urgency of debate at the time. I believe, without being disrespectful at all, sir, it is quite impossible for Your Honour to be fully aware of current events in the country to the extent that you can independently, without some consideration, be called upon to make what may be called a snap judgment as to whether there is urgency of debate with regard to the matter raised. I believe it is a good thing to write into the standing order a formal provision enabling you to invite comment on the urgency of debate.

Then, of course, I agree that once you have made a decision there should not be any appeal from that decision. After all, after you had invited members to advise you on the urgency of debate in connection with the matter there certainly would have been some expression of opinion from members, and I feel we should have sufficient confidence in the Speaker to accept his decision after he has heard the advice of the members of the house.

The second proposal, namely restricting to some extent the debate that takes place on the resolution preceding a money bill, has been the subject of consideration for some time. I do not have the quotations in front of me, and even if I did I would not like to read all of them, but I think it is fair to say there have been expressions from spokesmen for all parties in this house that something should be done to restrict this particular debate. I go back to those opinions that were expressed when the committee on procedure and organization was set up. In the first place, I believe you will find the opinion expressed by all parties that something should

be done to either eliminate the debate on the resolution preceding a bill, or at least to tighten it up. I think the step taken here is probably the wisest one in the circumstances, because to do away entirely with the resolution stage proceedings in relation to money bills would raise constitutional problems involving the royal prerogative.

As far as proposal No. 3 is concerned, may I point out that we have witnessed in this house, during the last few months particularly, the development of what amounts to a further full scale debate on the first clause of a bill after it has been introduced in committee. This proposal would simply transfer discussion on the first clause to the end of the debate in committee, and then only if it contained the short title and nothing else. I therefore think there will probably be a disposition on the part of the house to pass this clause more quickly than in the past, since there would have been full discussion on all the other clauses of the bill before the discussion on the short title was reached.

In closing I should like to say that we in this party feel we should support these proposals on a trial basis. It is clearly stated in the recommendations that they be adopted on a trial basis for the remainder of this session, and that other arrangements can be made if they prove too restrictive or if further amendments can be brought in to enable the business of this house to be conducted more efficiently. We in this party are ready to support the suggestions for the balance of this session.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, I fail to see the purpose or the necessity of extending the debate on the thirteenth report of the special committee on procedure and organization, presented today.

We, in this corner of the house, believe that any step to improve the Canadian parliamentary system, while respecting the rights and prerogatives of each member of parliament, should meet with the approval of the whole house.

Those are the few comments I wished to make. We are prepared to support any measure to improve parliamentary procedure.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to say at once, as I have said on a number of occasions, that anything which can be done to improve the procedure of parliament without restricting the essential freedom and the traditional rights of parliament deserves support.

If you will allow me, sir—and I say this with diffidence with yourself in the chair—what has been done under your leadership has been the most unusual and effective action which has taken place during the quarter of a century, almost, that I have been a member of this house. You have convened a committee which has worked effectively, dispassionately and objectively. Too often he who occupies your ancient and honourable chair does not, in the nature of things, receive from members as a whole that expression of commendation which you have so richly earned. I want to say that I believe the committee has worked together in a way which does honour to its membership.

Parliament is subject to a great deal of criticism; it has been in recent years and months. But parliament, if its full function is understood, is carrying out the great responsibility which rests upon it. Indeed, it is the only institution which preserves and maintains freedom and which above everything else, assures that the humblest person in our land shall not be denied justice. We have had examples in the last few days of matters brought before the house concerning humble individuals. This is one of the major functions of parliament.

The hon. member for Skeena suggested that he would like to see established, or so I gathered from his remarks, a practice whereby a Speaker would become the member for a constituency to be designated for that purpose, and would not be subject to election as are other members of the house. That suggestion has been made in the past. It fails to give due emphasis to the fact that if such an arrangement were made the occupant of the Speaker's chair would not be the first commoner. The essence of being the first commoner is that among members who have been elected on a similar basis, whoever is chosen to be Speaker is, by tradition, the first commoner.

I have listened to the various arguments which have been advanced today respecting the recommendations, and I intend to refer briefly to three of these recommendations. First there is the proposal that Your Honour's ruling should not be subject to appeal on the question of whether the house should be adjourned to discuss a matter of urgent public importance. I think all of us are agreed that such a rule would simply implement the general practice, and that it is deserving of complete support.

As to the second proposal, I speak now not as one who occupies the position of Leader of the Opposition but as one who has been prime minister when I say I feel the house should give further consideration to the limitation of all members to 20 minutes under standing order 61A. The two officers of the house, the Prime Minister and the Leader of the Opposition, by reason of ancient right and modern application have certain duties and responsibilities. It is not that it will affect me; I am not speaking personally now, for I seldom speak at the resolution stage. But I think consideration might well be given to assuring the continuation of that principle, recognizing that the holders of those two positions have certain special responsibilities, and that the section in question might be amended, if the house is agreeable, so as not to apply to those for whom the rules have made provision for unlimited discussion.

With regard to the third recommendation, may I say I think it will be somewhat difficult to operate. I want to see this in operation. There will be no general discussion on clause 1. Hon. members would deal with the bill clause by clause yet, at the end, they would engage in a general discussion. However, it is something that is experimental and as such I give it my support, particularly in order to ascertain how it will work out. I have heard it argued in the past that this is a course that should be taken, and I welcome any changes that can be brought about without in any way undermining the traditional position of parliament. It is of that position that I am going to speak for a few minutes.

Everywhere there is criticism of parliament; it is becoming the general thing to do. The institution is subject to examination; our constitution is being carefully submitted to the searchlight of public discussion. The criticisms, as I summarize them, are these. Why does not parliament do more? Why does parliament only talk? Well, Mr. Speaker, parliament is a place where talk is necessary, and where talk preserved our freedom in two world wars. It is a place where talk brought about many of the changes that have been implemented following the general acceptance in the nation of views originally expressed in parliament, heterodox views which ultimately became the accepted.

The other day I looked back over the years and read how parliament was viewed in other generations. Some people feel they have really found out something, that parliament should be complained about and criticized. Certainly parliament's activities should be examined carefully, but it is well to remember that there is really nothing new in the criticism. Someone has said that parliament pours out in characteristic words the characteristic heart of the nation. That is my concept of parliament. To carry it out, fair opportunities for discussion and decision must be provided. Criticism, however, which has no regard to the purpose, the history and the rights of parliament can be ill timed, if not dangerous.

I said a moment ago that I had read something of the criticisms of parliament in the past, and with the leave of the house I might place one or two quotations on the record. Samuel Pepys, on August 4, 1661 recorded that one of his acquaintances had told him:

> How basely things have been carried on in parliament by the young men that did labour to oppose all things that were moved by serious men. That they are the most profane swearing fellows that ever he heard in his life, which makes him think they will spoil all—

Charles Dickens, who sat in the press gallery in his day and generation for, I think, several years summed up his views of parliament in these words:

> The great dust heap of Westminster . . . laughing, coughing, oh'ing, groaning, a conglomeration of noise and confusion to be met within no other place in existence, not excepting Smithfield on a market day or a cockpit in all its glory.

I could quote Hazlitt and various political pundits. Robert Louis Stevenson summed it up in these words:

> We all know what parliament is, and we are ashamed of it.

Another said:

> Talk of mobs! See how few who have distinguished themselves in the House of Commons have ever done anything else.

Well, that is history; but it is living history today. What are the functions of the House of Commons? In order to criticize one must know what the functions are. The most important function is to control the finance of a country; to assure that money shall not be expended that has not been voted; that a full examination be made of all expenditures. The second is the expressive function; the expression of the minds of the people on all matters that come before parliament. The third is the informing function; and the fourth is to legislate.

In that order all political observers have placed the functions of parliament. You often hear parliament criticized for not governing. That is not the function or the duty or the responsibility of parliament. The responsibility is to deal with those matters that the

crown's executive brings before parliament, over and above, of course, the right of private members to introduce any measure that they deem fit. I mention this because it is so often said, "Why does not parliament get down to governing the nation?" That is not part of our duty. Ivor Jennings, the great authority, has said:

> The function of parliament is not to govern but to criticize. Its criticism, too, is directed not so much toward the fundamental modification of government policy as to the education of public opinion.

Sir, you will never have an effective parliament by having a type of slot machine to turn out legislation. The quantity of legislation passed is not a measure of the effectiveness of parliament. Indeed, it was Gladstone himself who used these words in this regard, speaking to the House of Commons:

> Your business is not to govern the country, but it is, if you see fit, to call to account those who govern it.

As I said a moment ago, there is widespread criticism largely based on the misconception that parliament does the nation's business and therefore anything that appears to take up time delays the business of parliament. As those of us who practice the art know, the business of the country is carried on not by parliament but by the administrative machinery of the government whether parliament is sitting or not. But parliament's responsibility and job is to give careful consideration to policy and the measures proposed to implement such policy. This it does by time-consuming efforts and processes. It scrutinizes; it questions; it explains; it criticizes. In other words, it talks.

Some say that parliament is not business-like, that it should be run on the lines of a business. Again such a concept assigns to parliament a role it does not have, the administration of the country's business. What parliament must do, however, is to oversee and compel by criticism effective and efficient practices in the departments. If it were not for the fact that parliament talks, many of the legislative enactments brought before the House of Commons would lead to endless amendments as weaknesses were discovered. We must always, in the limitation of debate in parliament, recognize this fact; that any new policy or legislation should not receive a less gruelling testing than any piece of machinery or manufactured material receives before it is prepared and readied for sale. If it were not for parliament making a long and complete examination, disastrous measures, the weaknesses of which would not otherwise be exposed, would be passed if there was too great a limitation on discussion.

Let me also say, Mr. Speaker, in speaking of parliament, that I often see parliament criticized because its debates are too prolix; there is bitterness, and strong arguments are advanced along this line of thought. Those who make that criticism do not know parliament. They should read the debates in the British House of Commons. Let me recall one example, where Aneurin Bevan followed upon Winston Churchill, as he then was, and said "I wish, Mr. Speaker, immediately to puncture this bladder of falsehood by the poniard of truth". They are words almost Churchillian in their import and power. Immediately someone wanted to have Mr. Bevan called to order, but he said "I was quoting". As Your Honour knows, if an hon. member makes a quotation and applies it to anyone, no withdrawal can be demanded. For the next week or so there was a great deal of discussion in the letter press of the United Kingdom as to who was the author of these powerful words. Some said it was Shakespeare; although they could not find the exact quotation they knew it was there. Others said it was Beaumont and Fletcher. Others claimed it was some other Elizabethan dramatist. Finally, two weeks later, when no withdrawal could be asked on a question of privilege, when he was making a further speech Bevan was asked whom he was quoting and he replied "I was quoting myself." That is the parliament of the United Kingdom. As you said the other day, Mr. Speaker, let us not be thin-skinned, and that is so. Maintaining decorum does not mean the restriction of strong and definite language. Yet one of the criticisms of parliament has been that arguments have been too strong, too direct. I would ask those who hold that view to read the debates of 1920 and 1921, 1925 and 1926 and 1932 and 1933. By comparison this parliament is represented by featherdusting members. I am not asking hon. members to go back to the days of Macdonald and Laurier and Borden, but I do say that much of the criticism of parliament, to the effect that when arguments are advanced members are wrangling, does not pay tribute to the critic for his knowledge of parliament, its antecedents or indeed its recent past.

I am glad to see that this committee brought forth these recommendations unanimously. I believe that recommendations can only be effective if they are made unanimously; indeed, they ought not be brought in by your committee, sir, without unanimity.

To do otherwise would be to defeat the very object we have in mind, which is by agreement to bring about those changes which are necessary to meet changing conditions without in any way diminishing the mandate of parliament and its traditional power. The setting up of a Speaker's permanent committee on procedure with the continuation of its deliberations from year to year would, I am sure, receive general support from all members.

There is one other matter in connection with parliament. No matter what we do on the floor of parliament here the press of our country has a tremendous responsibility to make available to the people the fullest and most unbiased of information. We have been blessed throughout the years with a very good press gallery. However, what I say is this, that we will never have strong, free institutions without the presentation by the fourth estate of the fullest information on parliament. I know, as do all of us, that what is unusual, spectacular, weird or unorthodox is always newsworthy. Although I have said this before, I should like to see other newspapers across the country following the example of one or two which are already providing each day a summary of what has taken place. I am not speaking for myself now, sir, but for the backbench member who works hard, prepares a speech, gives a great deal of study to what he has presented, and finds that he is not even mentioned as having been an also ran.

I do not suggest that full summaries should be given, but the kind of reference that the London *Times* makes from day to day has a tremendous influence upon the quality of debate and also provides incentives to members in the preparation of their speeches.

Mr. Grégoire: It is one o'clock.

Mr. Diefenbaker: Indeed, the media of public information, press, radio and television, whatever the rules may be, have a most important part to play in making parliament more effective. Free institutions cannot survive without a full presentation of factual information regarding the activities of parliament.

We are all working together to make parliament strong and effective. The Prime Minister and the Leader of the Opposition have a particular responsibility, as do members.

Mr. Grégoire: It is one o'clock.

Mr. Diefenbaker: Mr. Speaker, the Prime Minister and the Leader of the Opposition, as well as all hon. members, have particular responsibilities. In addition, the press has an almost equal responsibility to assure that parliament, that instrument of freedom, shall be stronger and more effective.

The changes that are recommended today represent steps forward. As I said at the beginning of my remarks, much has been done by committees under your leadership, Mr. Speaker. I know it is a difficult and unrewarding position, being a member of a committee that operates behind closed doors, and for that reason all of us owe a debt of gratitude to the members of this committee who have worked so well to bring about the recommendations now before the house.

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I should like to say a few words about the report of the committee, which I am happy to support, and to make a comment along the lines of the very interesting observations made this morning by the right hon. Leader of the Opposition (Mr. Diefenbaker) in discussing this report. He pointed out, and I think we are all very conscious of this, that the recommendations of this report deal with the procedures of parliament at a time when our parliamentary institutions are under a great deal of examination and much criticism. As the right hon. gentleman reminded us, it is, however, useful to keep contemporary criticism in perspective. Parliamentary institutions from the very beginning of parliament have always been subjected to the criticism of those who are impatient, quite often understandably impatient, to get things done even at times at the expense of careful consideration and discussion.

We often read, Mr. Speaker, about the apparent indifference of members of the House of Commons to the proceedings of the house as evidenced by their lack of attendance, and on that point I realize that at the moment I am not speaking to what might be called a large and enthusiastic audience.

Mr. Knowles: Those who are interested are here.

Mr. Pearson: But those who make this criticism do not always make allowances for the other things that members of parliament have to do, and do not always realize that

there has always been this kind of criticism of parliament and parliamentarians. The classic story in this regard, of course, is the passing by the British parliament almost 100 years ago of the British North America Act, the act that founded our confederation, which was passed in a practically empty House of Commons at Westminster after a short and perfunctory debate, we are told that once the British North America Act was disposed of the county members especially trooped in and filled the house because the next item of business was a dog tax bill.

It is not very long ago that I read in the newspaper a very important speech indeed on foreign affairs by the chairman of the senate foreign relations committee in Washington. It was one of the most significant speeches in recent times but it was delivered to a senate consisting of three senators. So the audience perhaps does not always determine the importance of the observations that are made. I hope not.

We were also reminded by the Leader of the Opposition this morning that our manners in the House of Commons are criticized whereas in reality we are models of decorum compared with what used to go on in the house 50, 75 and 100 years ago. Indeed the right hon. gentleman this morning referred to us, including himself, as featherdusters in debate. Perhaps I am, but he is not.

An hon. Member: You are not either.

Mr. Pearson: It is true, of course, that we are under examination and criticism. All institutions, especially all popular institutions based on discussion, are under criticism today. That criticism and examination are the more significant and the more noticeable because of the development of media of communication that did not exist 50 years ago and which can bring our defects, even more than our virtues, to the attention of a very large audience within a few minutes of the delivery of our speeches. Indeed, sometimes they can do it before we have even made the speeches. This has had some bearing on the position of parliament and parliamentary institutions.

I should like to echo what the right hon. gentleman said this morning about the importance not only of responsible speech and action in the house but the importance of responsible reporting of what is said and done here. I say that, not in criticism at all but in recognition of the importance of those who serve the public so well by reporting what goes on in parliament. It must be very tempting indeed to report our deliberations in terms of the more exciting phases of those deliberations, and excitement can always be created by conflict.

Conflict is, of course, its own publicity agent. Sometimes the careful, thoughtful, quiet speech with constructive proposals does not get the same amount of attention. However, while it is useful and I think well to keep things in perspective, I do not myself get as much comfort perhaps as I should out of comparisons. In the old days, and the old days do not mean more than 25 or 50 years ago, it did not matter as much as it does now whether or not we were inefficient in our procedures. The day when we could secure immunity from the consequences of our own inefficiency, in the light of the importance of what we are doing, has gone.

It was not very long ago when the government of the day was perplexed, not with the problem of getting things done but with the problem of finding enough things to do to keep parliament going for three months. In that kind of situation it did not matter very much if debate on a bill went on from Monday until Friday or the next Friday because the government was often hunting for something to take its place. Those days have gone by and whatever may have been the case in the past we cannot any longer afford the luxury of inefficiency of any kind in the conduct of our proceedings. Nor can we any longer assume that in the case of parliamentarians repetition means reputation. I hope whatever we do, and this hope was expressed in eloquent terms this morning by the right hon. gentleman, to change our rules and our proceedings—and I am glad we are making progress in that regard—there will always be preserved as the very foundation of our parliamentary institutions the right of full and free discussion. I think it goes without saying that that principle would be subscribed to by every member of the house. Perhaps we would not have the same unanimity with regard to the application of the principle to a particular case as to what constitutes full discussion.

The right of discussion is of importance but of equal importance is the right of decision after a full and free discussion. The abuse of the right of decision can be equally damaging to parliamentary institutions as the abuse of the right of discussion. We have to reconcile these two things. This is a problem which is much more complicated and difficult now than it has been in the past.

The setting up of this committee under your chairmanship, Mr. Speaker, to look into our procedure was I think one of the most constructive things that has been done by parliament for many years. I have been very proud, as the leader of the government, to be associated with the initiation of this work. I should like to pay my tribute to you, Mr. Speaker, as chairman of the committee and echo the other tributes that have been paid to you by the right hon. Leader of the Opposition; also to the members who have worked so well and so effectively on the committee and its subcommittees. The appointment of the committee and the work that has been done by the committee and its subcommittees —and perhaps I could make a special reference to the hon. member who is chairman of a subcommittee whose report we are considering—is a reflection of the desire of members to speed up and make more effective our parliamentary deliberations.

I agree, Mr. Speaker, that this is the right way to proceed in reforming, reinvigorating and strengthening our parliamentary procedures, that is, by a decision of an all party committee and by a decision which, whenever possible, is unanimous. This is the right way to proceed. However, although it is the right way to proceed, I hope we will not lose sight of the fact it is important that progress be made and that the committees be not unduly handicapped or delayed by the necessity, on every single occasion, of reaching a unanimous decision. It may well be that when the committee and subcommittee—this could have been their experience already—approach some vitally important aspect of this question there may be difficulty in getting unanimity. I hope that the desire for unanimity will not prevent progress.

I support and approve of the recommendations in this report. I could have wished, and I suppose members of the committee could have wished, that some of the recommendations could have gone farther. The fact that they did not go farther is not, I believe, an indication that the committee will not continue its work and bring in even more important recommendations in the future. I believe myself, and I have been saying this in the house when in opposition and in government, that the most important change we could make now, and I hope it will be made before long by a unanimous report of the committee, is the introduction of a procedure by which time could be allocated on all the proposals that are introduced in this house for discussion and decision. The beginning of this process of time allocation is to be found I believe in the recommendations before us today. I hope this will be only the beginning. So far as we are concerned on the government side, we support the allocation of time by agreement on legislative proposals so that we will know, in the government and in the opposition, in an approximate way at least when parliament is beginning how much time will be required for the legislation which is on the order paper. The committee report does not go so far as that, Mr. Speaker, but it does make some very useful proposals.

In dealing with the resolution stage, as has been pointed out by previous speakers, while not doing away with that stage, the proceedings are limited in time. I am one of those who thought perhaps we could do away completely with the resolution stage of money bills. It is a hangover, if I may use that expression, from the long distant past, going back to Stuart times when the resolution stage of money bills was the protection of the commons against the crown. We do not have to worry about that now. While the resolution stage is retained, it is certainly limited and it is vastly improved by the recommendations made. It is suggested that the time allowed for consideration of the resolution stage be now reduced to one sitting day, deemed to be a total of five hours. I think, Mr. Speaker, this is all to the good. It does represent an agreement on time allocation in certain circumstances.

The second portion of this recommendation restricts all speakers at the resolution stage to 20 minutes or less. The Leader of the Opposition made some observations on this recommendation this morning which I confess I found rather impressive. He pointed out that this would put the Prime Minister and Leader of the Opposition in exactly the same position as any other member of the house with regard to time limitation. There are, I believe, four or five standing orders which do except the Prime Minister and the Leader of the Opposition from the time limitation applied to other members of the house. It is not easy to talk about this when one is personally affected by them, but these exceptions are based, I think, on a sound principle, namely that the leader of a government in introducing legislation is in a special position of responsibility and may require, and usually does require, more time than a private member for the purpose of explaining the bill to the House of Commons on behalf of the government. And I think the Leader of the Opposition, occupying another position recog-

nized by the house itself, should be given the same privilege when replying to the Prime Minister. I think a case could be made for maintaining this extension even in respect of a debate on the resolution stage which is limited to one day.

There has been no motion made on this matter and it would not, I believe, be in order to move an amendment even if that were desirable, and I do not intend to do so any more than did the Leader of the Opposition. I certainly would not wish to take any step which would result in the reference back to the committee of this report —a report with which I am in agreement. I should like, however, to make the point that these recommendations apply for the present session of parliament only, and I suggest that when the committee meets after they have been in effect, should the house adopt them, its members should look again at this particular subclause of the recommendations to see whether the considerations advanced by the Leader of the Opposition and myself do not warrant further consideration of this matter.

I think it is a very useful change indeed to put to the end the debate on the first clause of a bill in the committee stage, rather than have it at the beginning of the proceedings. I hope this will work out satisfactorily and I believe it will, for reasons which were mentioned in the discussion this morning.

I am in hearty agreement with the proposal that your decision, Mr. Speaker, with regard to motions to adjourn the house should be final and not debatable. The proposal in this respect reads:

> Any ruling made by Mr. Speaker after listening to arguments on the question of urgency shall not be subject to appeal.

I am not a legal expert, or indeed a lawyer of any kind, but I assume, Mr. Speaker, this does not mean that any ruling made by you in the absence of argument would be appealable. As the recommendation stands it says that any ruling made by Your Honour after listening to argument would not be appealable. I presume the same recommendation would apply, namely that there should be no appeal, whether there was argument advanced or not. It would not be very sensible if it were otherwise.

Mr. Knowles: Would the Prime Minister permit a question so as to make clear what was in the minds of those of us who drafted these recommendations? Would the Prime Minister read the previous sentence? If he will put the two together I think he will see what we have in mind is this—as long as a Speaker consents to hear any arguments which members may wish to raise, then any ruling he makes shall not be subject to appeal. I think it was probably felt that if a Speaker—not the one we have now, but some other one—were to refuse to listen to argument, then perhaps his decision should be appealable.

[Mr. Pearson.]

Mr. Pearson: I welcome the hon. gentleman's explanation. The second sentence now reads:

> If Mr. Speaker questions the urgency of debate with respect to the proposed matter he may invite members to speak on the question of such urgency. Any ruling made by the Speaker after listening to argument on the question of urgency shall not be subject to appeal.

All I wish to establish—if it needs to be established—is that if Mr. Speaker does invite argument and no argument is forthcoming, there should similarly be no right of appeal against his ruling.

That is all I have to say with regard to the report. I congratulate those responsible for it and I pay tribute to the work which has led to it. I wish the committee well in its further consideration of these matters. I wish to repeat that this is undoubtedly the best way in which to change our procedures in the interests of the efficient dispatch of business. If it can be done by agreement in an all party committee, that is the way it should be done, and I hope the committee will be so successful in its progress in the future that no other action will be required in bringing our parliament and parliamentary procedures into line with the realities of our problems and of our times.

Mr. T. C. Douglas (Burnaby-Coquitlam): It is not my intention to detain the house at any length but I hope hon. members will permit me to congratulate you, Mr. Speaker, and the members of your committee on this report and on the other reports which are now before us.

I think these reports fully vindicate the action which was taken by the house in setting up this committee. I agree with the statement which has just been made by the Prime Minister (Mr. Pearson) that this is the most desirable procedure to adopt in changing our parliamentary procedure when it needs to be changed. I do not mean by this that all changes must wait on complete unanimity. There may be occasions when changes will have to be made in the procedures of the house without waiting for every last party

and every last member in the house to be in complete agreement. But if it is possible to get unanimity in making changes, then that is the most desirable course to follow. I imagine all members of the house feel pleased, as I do, that the reports now before us have the concurrence of all the members of these respective committees.

It is the essence of a parliamentary system that we never get changes exactly as we want them if we wish to get a consensus from all parts of the house. But I would imagine that these changes which are proposed in this thirteenth report—and I speak for the party with which I am associated—constitute a very substantial improvement. The first proposal with reference to the change in standing order 26 is identical with the eighth proposal which I made a short time ago when putting forward ten proposals for a parliamentary reform program. I think it has two great advantages; it will set out clearly the right of a member to outline the urgency of debate, as well as clearly establishing the practice we have been following in saying there is no right of appeal against a Speaker's ruling on this question.

With reference to the resolution stage of so-called money bills, we in this party would prefer to eliminate it altogether. I know that in most of the provincial legislatures this stage has in fact been eliminated. They have met the problem of reference to the crown by having a provision attached to the first reading of money bills; before first reading is called the minister concerned simply reads a statement signed by the representative of the crown to the effect that the bill has been submitted to His Honour the Lieutenant Governor who recommends it for the consideration of the legislature. In this way the reference to the crown is continued. This practice also prevents a private member introducing a money bill because, of course, he cannot obtain the necessary written statement. It seems to me there should be no constitutional difficulty about eliminating the resolution stage as a prelude to money bills. But the proposal which is made here goes a very long way. At least it is a substantial improvement and I think ought to be given a fair trial.

Both the Prime Minister and the Leader of the Opposition (Mr. Diefenbaker) have made reference to the 20 minute limitation. Normally I would agree that both these officers of the house ought to have extra time.

I think, however, there are some arguments for not doing so in this case. The first is that if the debate is going to be limited to the reduced sitting hours on a Wednesday or Friday, or limited to a day on Monday, Tuesday or Thursday, if the two leaders of the house have unlimited time, between them they could take up three fifths of the time. This has been known to happen—not in the case of the present incumbents necessarily, but it has been known to happen in days gone by when we had three hour and four hour speeches. Therefore I think there has to be some limitation.

But I think the second reason is more important. The primary function of the resolution stage, if we are to have one, is for short statements on the principle and particularly to ask questions; because that is why the resolution is in committee stage, rather than going through second reading, which was eliminated by the house in 1955. It seems to me that for short statements and questions and answers the 20 minute rule is sufficient. The committee will of course watch the effect this has as we proceed with it, but I would hope they will recommend maintaining it unless some very good reasons come to the fore as to why it should not be continued.

The third recommendation with reference to the debate on the first clause of a bill in committee of the whole is I think an eminently sensible proposal. I sat for some years in a provincial legislature where for many, many years—in fact, for several decades—the short title of the bill was always the last clause called. It was found that by the time members had gone through all the clauses in the bill many of the questions which they might have asked on clause 1 had already been answered, and this procedure reduced the debate very considerably. I think this is a wise proposal which has been made by the committee and is certainly worthy of a trial run by the house.

I want to say just a word or two about the general idea of parliamentary reform. Both the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker) have said quite properly that parliament is under some criticism. I think we will deceive ourselves if we keep saying that this criticism is because the public is ill informed or because people today live in a complex age and are in too much of a hurry. If parliament is under criticism we ought to ask ourselves whether a good deal of this criticism is not fully justified. The Leader of the Opposition said that one criticism is that parliament only talks. I think, more realistically, the criticism is that members of parliament too often talk

just for the sake of talking. I think people expect us to talk, but I believe they feel there is little value in constant repetition day after day when members are repeating what was said the day before and are repeating it again at subsequent stages of the passage of the legislation.

The objection is not to the fact that parliament is a place for debate so much as the feeling on the part of the general public that tedious repetition is out of place in a parliament where the business of the country is of paramount importance. The task which faces Your Honour's committee, and ultimately the house, is to try to find that fine balance between complete freedom of expression for all the elected representatives and at the same time have due regard for the efficient dispatch of business so as to provide adequate time for the examination of estimates and expenditures, which is one of the functions of parliament.

It was said this morning that the amount of legislation passed is not the criterion of parliament. That may be true; but what is the criterion of parliament? It is a reflection on the efficiency of parliament if some legislation takes a long time to pass through the house because of unnecessary and tedious repetition and at the same time other legislation of equal or greater importance is left to the dying days of the session and is either not passed at all or is rushed through with little consideration. We have all had the experience in days gone by of hundreds of millions of dollars of estimates being rushed through the house in the dying days of the session. This has never been an example of good business procedure to give to the people of Canada. That is why we in this party have long felt—and we hope the committee will consider this— that we should follow the example of the parliament at Westminster of establishing an annual timetable and plan the work of parliament, so that we do not dawdle for weeks or even months on some matters which may be of importance, and neglect other matters which are of equal importance.

We hope the committee will look into the role of committees of the house. We hope they will study the question of private members' bills. It is a frustrating experience for private members to prepare bills and find it is impossible to obtain a decision of the house and they are simply talked out. We hope Your Honour's committee will look at the question of the allocation of time for debate. We think this would do a great deal to speed up the business and to distribute time as between different pieces of legislation and different functions of the house.

I must say in closing, Mr. Speaker, that in the final analysis I am sure we all recognize that no matter what the rules and the procedures of the house may be, the efficient conduct of business in parliament depends upon self-discipline on the part of members, co-operation among all the parties in the house, and mutual confidence and trust as between the leaders and the members of the different parties. This is something of course that cannot be written into the rules; it can only be generated by the good will of the members themselves. Mr. Speaker, I want to give my support and the support of this party to the work of the committee and offer them our congratulations. We trust that the support and the favourable comments they have received today will encourage them to carry on their work with continued success.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, first of all I wish to congratulate you on the work you have to a great extent been responsible for, as far as appointing the committee and the work they have carried on in the meantime. I believe it is most commendable that it has been possible for the members of the committee to come together as they have and make the many suggestions which have come before us, including those contained in this thirteenth report, thus enabling us to progress constructively toward improving the operations of this House of Commons.

I do not intend at this time to go into any lengthy debate on the merits of this report or the recommendations it has made simply because I believe that each one of the leaders and spokesmen for procedural reform in each of the parties have made their opinions very clear to the house. To go over these at this time I think would be unnecessary. It will suffice to say that I am very happy to give the support both of this party and of myself to this thirteenth report and the reforms it proposes.

I listened with interest to the leader of the official opposition (Mr. Diefenbaker) speaking this morning to this report, to which he gave his own support. I agree with the criticism he had to make, that it would be well if he, as the leader of the official opposition, and the Prime Minister (Mr. Pearson) were not limited to the 20 minutes which are proposed in the report for each member's participation in debate. I think it is traditional that both of these honoured gentlemen have the privilege

of speaking at length on each topic as it comes along and as they see fit. I think it would be well in giving our unanimous support to this committee, that support could also be given to this recommendation without having to refer it back to the committee for further study.

I also hope that the eleventh report will come quickly before the house and that the opportunity be given to approve it. I think it is very important that the committee work of parliament and of this House of Commons be facilitated, and I believe that is what this report is aiming to do. Certainly it is directed at the more effective working of the house, recognizing that it is essential to have a greater degree of participation by the backbenchers in the work of the house. Therefore I trust that very soon the eleventh report will be brought forward.

In relation to parliamentary reform I agree that it is not the duty of this House of Commons just to talk, any more than it is the responsibility of this House of Commons to govern the country. However I believe it is the responsibility of this House of Commons to facilitate its work so that it will permit and give opportunity to the government to govern the country in the most effective way possible. Therefore the role of the opposition is one that is constructive, aimed not only at assisting the government with its responsibility of governing the country but making sure that this is done in the most effective and efficient manner. While we cherish the basic, fundamental privilege which is afforded to this house, namely the opportunity for the representatives of the people to make known their wishes, it is also our responsibility to make sure that the administration of the country goes forward in the very best way. Therefore the reforms that the committee has been dealing with in its different subcommittees, and the various reports that are brought in are important, perhaps even more important to us than they appear to be when presented individually, because it is in the over-all picture that they represent something which has long been overdue in this house.

In regard to parliamentary reform I would just say that as we have all had the opportunity to talk on this subject before I do not think this is the time for further discussion. However, there are a few points which I believe the committee must bear in mind and about which we must all be concerned until recommendations are made in relation to them. Certainly the time allocation to debate is one matter which is fundamental, because I do not think we are justified in spending as long as we have on some debates in this house, in view of other more important matters on which we should be spending our time.

Likewise I think it is very important that we should be working out some timetable or schedule for the operation of the sessions of the House of Commons. At this particular time everyone is chagrined, though we may not have thus expressed ourselves publicly, by the fact that there has been no opportunity for a recess. I think every hon. member of the house would appreciate the opportunity even now to have a week or two off. I think it is essential to have a recess. It would be well not only for the cabinet ministers with their responsibilities of administration, but also for the government itself in defining over-all policy. Certainly it is important for each one of us in the opposition and on the backbenches to get a little closer to reality by coming into more intimate contact with our constituents. One of the greatest weaknesses of this session is the fact that we can be so far removed from our constituents that we sometimes lose all sense of reality and responsibility. It is also important to the staff of the house. It is not reasonable that we should continue for ten or 11 months in the year without a break. Probably the only thing we are able to boast about now is the fact that we are part of the longest continuous sitting of this house in the history of the nation. I do not think that is very much to boast about. There is no reason why this should be. It seems to me it would be a very simple matter to come to some sort of agreement. We all recognize that the work of parliament has become something which involves more or less a round-the-year job. It is a continuous occupation, but in our confusion let us at least keep it orderly with some program in mind, so that the government can plan its work, so that we as members can plan our work, and all play a more effective part in that work.

I also agree that it is important that steps be taken to place private members' bills in the position they should be. It is not good enough to carry on as we are now. Certainly there is little incentive to bring the best out of the members of the house as far as private bills are concerned. Therefore I would hope that this matter can be attended to during this session by the committee.

In addition to our responsibility to just talk, there is also the responsibility to make

sure that we approve the expenditures of the government in perhaps a little more effective and efficient way than hitherto. We are now approaching the end of the tenth month of the year and we still have not approved the estimates. It seems to me it is not good enough just to be approving estimates after the money has been spent. If we are to do our work as we should, approval should be given long before all of the money has been spent.

These are just a few of the matters yet to be attended to, Mr. Speaker. In the meantime we in this party are happy to give our support to this report and to assure the committee that we are grateful for what has been done. We look forward to its final report which will complete the responsibilities which have been assigned to its members. I would also just say that for full effectiveness it would be well for us all to accept the recommendation made by the leader of the official opposition concerning this one minor detail, which is important to the responsibilities that both he and the Prime Minister carry in a very special way.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, in speaking to this thirteenth report of the special committee on procedure and organization I might say at the outset that in my remarks this afternoon I am not speaking just for myself but expressing the view of my party in respect of a particular matter contained in the report.

Mr. Speaker, I should like to join with the Prime Minister, the Leader of the Opposition and others in congratulating you and the members of your committee for the very excellent job that has been done. You have been much like an engineer guiding and giving wisdom to the members of that committee, enabling them to select the proper tools with which this parliament may do a thorough and efficient job.

It is always amazing to me to hear some hon. members criticize others for the quantity and quality of discussion that takes place during our consideration of various items placed before us. I suggest if one looks at the index of *Hansard* he will find that those members who criticize have spoken as often as any other member and perhaps have made less contribution. Perhaps members such as myself, and others, are the last to criticize hon. members for taking part in debates. Sometimes I think we should take the two-by-fours out of our own eyes before we take the splinters out of the eyes of other hon. members.

[Mr. Thompson.]

Mr. Speaker, I have been asked by my party to speak in regard to a specific problem which I think is obvious, as the present proposals stand. Before doing so I should like to congratulate the Prime Minister, (Mr. Pearson) who unfortunately is not present at this time because of pressing business, for his concurrence in the suggestion made by the leader of the official opposition (Mr. Diefenbaker) to limit the time allowed a prime minister, a member of the government, or the leader of the opposition in debating a resolution. In this regard I have been asked to move an amendment, and intend to do so before I resume my seat. It is an amendment which I believe will receive unanimous consent of this house, and will be passed quickly.

Mr. Grégoire: Agreed.

Mr. Woolliams: Mr. Speaker, I do not wish to become involved in any contentious discussion, but when we hear the hon. member for Lapointe (Mr. Grégoire) agreeing so quickly, we know there is some comfort in the House of Commons, and that the hon. member has seen the light for the first time since his election.

The amendment I eventually intend to propose is related to part 2 of the committee's report dealing with debates in the committee of the whole house on resolutions preceding bills involving the expenditure of public money. Paragraph 2 of the proposed new standing order 61A reads:

> Notwithstanding the provisions of any other standing order, no member shall speak for more than 20 minutes during the time when a resolution preceding a bill involving the expenditure of public money is under consideration in the committee of the whole house.

It has always been accepted that, by our rules, extra time will be given to the prime minister, a minister of the government, or a government member to explain a measure carefully to the House of Commons. Extra time has always been given to the leader of the official opposition and the leaders of other parties during the debate on resolutions. I feel the proposed new paragraph of this standing order will curtail the prime minister, ministers of the government, the leader of the opposition, leaders of other parties, or government members explaining resolutions.

As the Leader of the Opposition pointed out, it is not the function of the House of Commons to govern, but rather it is the function of the executive or administration to govern. In other words, the government governs, whereas the House of Commons ap-

proves or disapproves of policy or legislation, and scrutinizes very carefully the proposed expenditures which are made from time to time.

As has been suggested by the leader of the official opposition, the leader of the Social Credit party (Mr. Thompson) and the Prime Minister, I think extra time should be granted to the prime minister, ministers of the government or government members to explain resolutions presented to the house, particularly when they relate to the expenditure of public money. I always think the leader of the official opposition and the leaders of other opposition parties should be given extra time to reply in respect of those resolutions. To do otherwise I think would unnecessarily curtail the debate.

Mr. Speaker, standing order No. 31 reads:

> When Mr. Speaker is in the chair, no member, except the prime minister and the leader of the opposition, or a minister moving a government order and the member speaking in reply immediately after such minister, or a member making a motion of "no confidence" in the government and a minister replying thereto, shall speak for more than 40 minutes at a time in any debate.

You will note there that an exception is made in respect of the prime minister, the leader of the opposition and ministers moving motions. I suggest that exception should be extended and applied in reference to paragraph 2 of the new proposed standing order 61A.

There have been times when the business of this parliament has been delayed, and perhaps on occasion these delays have been caused by the official opposition, whether it be Liberal or Conservative. I am sure the members of the splinter parties will not mind my stating that I was in this house when there was only one splinter party consisting of eight members. It is hardly necessary for me to point out that we now have five parties in this House of Commons. In spite of the fact that the leader of the New Democratic party states that his party represents two million voters, the more parties we have in the House of Commons the more delays we experience. It might well be that the New Democratic party would not represent even one million voters if the public was made aware of that fact.

Unless we are willing to get into the position in which France found itself, I think some improvements have to be made in the rules. Some consideration must be given to a reform of our debates in parliament. When the parliamentary system was first devised we only had a two party system.

Mr. Fisher: That is nonsense.

Mr. Woolliams: The hon. member for Port Arthur (Mr. Fisher) suggests that my statement is nonsense. I do not wish to become involved in an argument with that hon. member, who so quickly agrees with everything said by the hon. member for Winnipeg North Centre (Mr. Knowles), but I should like to refer to certain statements made by the hon. member for Winnipeg North Centre in an address he delivered to the Empire club of Canada, at the Royal York hotel, Toronto, Ontario, on March 21, 1957. That hon. member was referring to the role of the opposition in parliament, and he did not refer to that role as nonsense. He was speaking very seriously to one of the more important clubs in Canada, and said:

> It might interest you to know that the term "His (or Her) Majesty's Opposition" has been in use longer than the title "Prime Minister". If you go through the *Hansard* records of the first years of Canada's parliament you won't find Sir John A. Macdonald referred to as Prime Minister, but rather as First Minister. Indeed at the beginning you will find him referred to as Minister of Justice, since he held that portfolio as well as being the Queen's First Minister. On the other hand, right from the start you will find reference to "the honourable gentleman who leads the opposition".

I believe that hon. member has some experience in this regard, and I suggest without reservation that he spoke on that occasion in respect of the function in parliament of the official opposition with some authority and weight. He said that the leader of the official opposition is a part of government and was recognized even before we recognized the high and exalted position of prime minister of Canada. If that is what the member said on that occasion, I can hardly believe that the hon. member for Port Arthur (Mr. Fisher) would say what he has said now. I have always respected him. I read his articles and I listen to his speeches and I would say that when he makes a speech he is well prepared, but surely he spoke hastily when he said "nonsense" because I am quite confident—

Mr. Fisher: I wonder whether the hon. member would let me help him out?

Mr. Woolliams: I do not have much time and I should like to finish.

Mr. Fisher: I would not care to interrupt, but I apologize for saying "nonsense".

Procedure Committee

Mr. Woolliams: I will finish my remarks and then answer any questions. My time is somewhat limited and I do not want to delay proceedings at this stage. I want to refer to another portion of the address by the hon. member for Winnipeg North Centre (Mr. Knowles):

> The title "prime minister" has found its way into some of our federal legislation, but it is interesting to note that even today those rather important statutes, important to the individuals concerned at any rate, which provide for the salaries paid to the leaders of the government and the opposition designate the one as the Queen's first minister but the other as leader of the opposition.

First of all, the point I am making is that the leader of the official opposition is a part of the government, and I repeat that as the parliamentary system got under way and matured through crystallizing traditions and customs, it really matured around a two party system. I am not saying that we should have only a two party system because I believe in democracy and at the present time the Canadian people are prepared to elect five parties. We do not know what they will do in the future. I know that these remarks will receive a sensitive reaction. We are just as sensitive when we are criticized and the government is just as sensitive when it is criticized. However, I would think it is only fair to parliament and the Canadian people to point out that if there were eight parties in the house instead of five as we have now there would be more delay. Therefore I am happy to see that the rules have been streamlined in that regard.

Let us see what the Prime Minister (Mr. Pearson) has had to say about the role of the opposition. On January 27, 1959, he spoke at a luncheon meeting of the Canadian club of Ottawa and in his speech he quoted from very good authorities. At that time he was leader of the opposition and he quoted with approval a statement made by the then prime minister, now Leader of the Opposition (Mr. Diefenbaker). I said that the leader of the official opposition speaks for the official opposition. He or someone designated by him or his party speaks for the official opposition and they have a very important function in the government of Canada. The present Prime Minister quoted with approval what the then prime minister had said on one occasion, and I would point out that similar words were used by another leader of our party, Arthur Meighen, to whom the present Prime Minister has referred with complete approval. This is the quotation the present Prime Minister used in his speech:

> "If parliament is to be preserved as a living institution, His Majesty's loyal opposition must fearlessly perform its functions. When it properly discharges them the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities. It must be vigilant against oppression and unjust invasions by the cabinet of the rights of the people. It should supervise all expenditures and prevent over expenditure by exposing to the light of public opinion wasteful expenditures or worse. It finds fault; it suggests amendments; it asks questions and elicits information; it arouses, educates and molds public opinion by voice and vote. It must scrutinize every action by the government."

In doing so it prevents the short cuts through democratic procedures that governments like to take. The present Prime Minister pointed out in a real punch line the all important function of the official opposition when he said that the absence of a strong opposition means a one party state, and a one party state means an all powerful cabinet. I would point out that there are 96 members of the official opposition and I think anyone will agree that at times it is a pretty strong opposition. Let us see who else the Prime Minister quoted with approval in his address to the Canadian club. He referred to what the late Right Hon. R. B. Bennett had said when speaking in the house on March 23, 1932:

> "Oppositions are essential and necessary in the development of a democratic state. They serve a great and useful purpose. To the extent that criticism is frank and thorough, to that extent they do a great service to the country."

Then the Prime Minister referred to Benjamin Disraeli and with some sense of humour apologized to his audience for quoting from Conservative sources but said he had done so because he had found that on this matter these sources were good. He quoted these words of Disraeli:

> No government can be long secure without a formidable opposition.

Then the Prime Minister went on to say:

> I must confess, however, that it is not my conception of the role of the opposition to be formidable so that the government can be secure.

Then he quoted these words of Edmund Burke:

> He that wrestles with us strengthens our nerves and sharpens our skill. Our antagonist is our helper.

The point I want to make is that the official opposition has a very important role when it comes to government. Let us see what that role really is. Let us summarize it. First of all, it has been said earlier today by the Leader of the Opposition and others that

its role is to scrutinize expenditures, to approve or disapprove government policy, to approve or disapprove legislation and to do so with care because if it is not scrutinized carefully it will be subject to many amendments. Because of the training of the people in the official opposition they should always be in a position at any time to be able to take over the government. I think anyone will agree with that. That would seem to be a function of the official opposition.

I want to go further. I want to say that I was impressed with what the hon. member for Winnipeg North Centre had to say in his speech. I do not want to delay the house but I would ask every member to read what that hon. member said on March 21, 1957. His address can be found in the library, bound in a red book. I have a photostatic copy of it. Hon. members should read it, and it is not nonsense as the hon. member for Port Arthur has said.

The official opposition has an important function because they must be more responsible that any other opposition party. The statements made by the official opposition must be made with a greater sense of responsibility because tomorrow they may move over to the other side of the house. They are in the position to do so.

You will recall the first parliament of 1962, Mr. Speaker, when the Liberals were even stronger in numbers in opposition than we are now. It was only a short time until they took office as the government. This is what has happened throughout the course of history since confederation.

The function of the official opposition has been made clear by distinguished writers and parliamentarians, but members of the official opposition must always remember their responsibility in any statements they make. If they offer criticisms or make suggestions they must be in a position to implement their suggestions and to change the things they have criticized when they take over the government. If they fail to do that then they are not equipped with the responsibility to govern.

I want to repeat that I had hoped to hear the leaders say they would approve an amendment or suggestion that the time allotted to a prime minister or other government member presenting a resolution of this kind should be unlimited, just as in other cases, and the same courtesy should be extended to a leader of the official opposition. If the New Democratic party approves that, if the leader of the Social Credit party approves that and if through the Prime Minister the government and the Liberal members approve it, it seems to me we could simplify the procedure today. If we are all unanimous in that regard this slight change can be made and then the report can be approved expeditiously. But one can never be sure and, as I said at the beginning, I have taken the responsibility for my party of making this suggestion because it was approved by the party.

I should like therefore to present this amendment. If in the course of presenting the amendment everybody approves of it, then it can be incorporated in the report and it would not be necessary to send the report back to the committee. I believe the suggestions that have been made for the changes in the rules, other than this slight amendment I have, are good and will expedite the business of this house and will add dignity to it.

I too congratulate the members of the committee. I was a member of the committee for a short time and I congratulate the members of the committee on the job they have done. I know how much work must have gone into this report. I want to congratulate you, too, Mr. Speaker.

I wish to move now, seconded by the hon. member for Grey-Bruce (Mr. Winkler):

> That the motion be amended by striking out all the words after "be" and substituting therefor: "not now concurred in, but be referred back to the special committee on procedure and organization with instructions to amend subsection (2) of the proposed standing order 61A as referred to in paragraph 5 of the said report by striking out all the words following the word "member" in line 2 of the said subsection (2) and substituting the following:
>
> "except the Prime Minister and the Leader of the Opposition or a minister moving a resolution preceding a bill involving the expenditure of public money and the member speaking in reply immediately after such minister shall speak for more than 20 minutes during the time when such a resolution is under consideration in the committee of the whole house."

Briefly, it extends a privilege to the Prime Minister, the Leader of the Opposition, or someone speaking on behalf of a party. I now have copies of my amendment in both French and English.

Mr. Speaker: If I may be permitted to point out to the mover of this proposed amendment, does he realize that the second paragraph contains the words "except the Prime Minister and the Leader of the Opposition or a minister moving a resolution"? If a minister were to move a resolution, then

the Prime Minister and the Leader of the Opposition would be limited to 20 minutes. Is that his real intent?

Mr. Woolliams: I say this to the Chair: this was drafted by several other members as well—

Some hon. Members: Oh, oh.

Mr. Woolliams: There is nothing to laugh about. I said I was speaking for the Conservative party. This is a representation on behalf of the party. Our position on the amendment is that it gives the Prime Minister more than that time and gives the Leader of the Opposition more than that time, or a minister speaking on behalf of the government.

Mr. Speaker: Well, if I could politely suggest to the hon. member, I would say he should add, "except the Prime Minister and Leader of the Opposition and/or a minister—" This might cover the situation.

Mr. Woolliams: May I bow to your correction? Perhaps we need you on our drafting committee.

Hon. G. J. McIlraith (President of the Privy Council): I want to address myself very briefly to the amendment and particularly to the procedural difficulty, as I see it, that flows from the moving of this amendment. I share the views about the work of the committee expressed by the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker) as well as others who have preceded me today. I do not intend to repeat those remarks. I must say that I am delighted with what I regard as a break-through on the part of the committee in getting worthwhile amendments to the rules before the house for consideration and temporary trial. In that connection I point out that we are now in the 166th day of the sittings of this session and the committee report in which concurrence has now been moved recommends that we try these changes until the end of this session.

The difficulty with the amendment, as I see it, is this: It undoubtedly deals with something that was omitted from the committee's report, a point on which the Leader of the Opposition and the Prime Minister both expressed reservations. I was interested to note that their remarks, if I heard them correctly, concerned the right of extra time for the Leader of the Opposition and the Prime Minister because of the special obligations or duties they have to this house.

[Mr. Speaker.]

The motion as moved is in somewhat wider language in that it gives that same extended period for speaking to any minister moving a resolution. In any event, I do not wish to argue the merits of the point in detail now. The point obviously has some substance in it. We are in this situation; the committee has done some rather excellent work. I think all the speakers who have preceded me have spoken well of the work done by the committee. The committee has brought in a report and these amended rules would be in effect to the end of this session. The amendment would send this report back to the committee with an instruction of this house when the house has not, as is obvious from the discussion, given the amount of detailed study that should be given the proposed amendment. I suggest a better course—because there is no way of amending a proposed amendment to a standing order being enacted by way of moving concurrence in a committee report even with unanimous consent, as was suggested by the hon. member for Bow River (Mr. Woolliams). The house can only give unanimous consent for itself and cannot give unanimous consent on behalf of the committee. It is just not possible for the course suggested by the hon. member for Bow River to be followed. I ask the hon. member to consider withdrawing his amendment and adopting the motion for concurrence in this report which all speakers so far have favoured rather clearly. Then, we could leave it to the members of the committee, who are here in the house, to consider right away the remarks made by the Leader of the Opposition, the Prime Minister and the mover of the motion, and they can bring forth whatever further reports they think appropriate.

In this way, when that new motion for concurrence comes up for decision in this house we will not be in a position where this whole day's debate will have been wasted and the whole subject can be debated again. We will have concurred in the report today as recommended by the committee and I think it will be reasonable to expect that the committee—though, of course, I cannot speak for the committee and I do not presume to do so—would consider the matter and in due course bring us something further on this point. I expect too, that its considerations would be limited to this point only, so the debate which would later take place would be restricted in its scope.

In the light of these remarks I wonder whether the hon. member for Bow River (Mr. Woolliams) would consider taking an-

other course. Feeling as I do about the work of the committee I am unwilling to repudiate its work, in effect, by sending the whole report back. At the same time I fully appreciate the remarks which were made by the Leader of the Opposition (Mr. Diefenbaker) on this particular point and I am in accord with them. This is a dilemma in which, I suspect, many members of the house find themselves. I hope the hon. member will consider what I have said and see fit to withdraw his amendment and permit concurrence in the report of the committee.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall speak very briefly on this and in doing so I shall make an appeal to the hon. member for Bow River which I dare to believe he may heed.

I think all of us share the view which has just been expressed; none of us would like to see this day's debate on the committee's report fail to produce an immediate result. I think we all know that if the report is referred back it would cost a great deal of time, and so on. Without saying whether or not I agree with what has been requested, namely lifting the time limit on speeches by the Prime Minister and the Leader of the Opposition, may I indicate that the committee did consider this matter and that the recommendation which has been brought in was reached after full consideration.

Nevertheless, in view of the discussion which has taken place so far, I am prepared to give the hon. member for Bow River and the entire house my undertaking as chairman of the subcommittee that if the proposed amendment is withdrawn and if this report is adopted as it now stands I will place on the agenda for our next meeting this whole question and I will ask the members of the subcommittee to study it again. If the members of our subcommittee feel, after listening to today's debate and after considering the matter further, that a recommendation should be made to the house for an adjustment in this order we would, of course, bring forward such a recommendation. On this basis, and in order that we may make some progress by accepting this report—a report which seems to have met with approval from all parts of the house, with this exception—I hope the hon. member for Bow River and the hon. member for Grey-Bruce (Mr. Winkler) may be willing to withdraw their amendment.

Mr. Erik Nielsen (Yukon): I think some unwarranted fears have been expressed both by the President of the Privy Council (Mr. McIlraith) and by the hon. member for Winnipeg North Centre (Mr. Knowles).

In addition to what the Prime Minister and the Leader of the Opposition had to say about the need for removing the 20 minute limitation contained in the report of the committee on speeches by these two officers of the house, a further suggestion has been made for broadening this provision to include other ministers who may be submitting legislation. Surely it will be essential for a minister introducing such complex legislation as, for instance, the insurance legislation, to be given more than 20 minutes in which to explain such measures to the house so that all hon. members might have a sound appreciation of what the executive is attempting to do. The trouble about the suggestion made by the President of the Privy Council and by the hon. member for Winnipeg North Centre, despite the latter's assurance that as subcommittee chairman he will place this question on the agenda of the committee, is that, as he himself said, he cannot tell us what action the members of the committee will take. However, if the house were to adopt the amendment and send it back to the committee in the precise terms of the instructions it contains, it is my understanding of the procedure that the committee would then have no other course but to conform to those instructions and alter its report accordingly. If this is a correct appreciation of the situation, then a decision by this house of the amendment would preclude any discussion—

Mr. Knowles: Would the hon. member permit a question? I wonder whether he does not agree that in view of all the fine tributes which have been paid to the committee it would not be a good idea to let the committee consider this matter without being bound, as it would be, by the passing of this amendment? It seems to me that this would be the better way of proceeding. As I said, I do not know what the committee will decide or recommend, but I am at least in a position to give the assurance that the subcommittee will consider the matter.

Mr. Nielsen: That is the difficulty about the whole proposal. There is no doubt that the committee has done some wonderful and worth-while work. But the hon. member for Winnipeg North Centre cannot give us an assurance as chairman of the subcommittee that the other two parties, or, indeed, his own party—

Mr. Knowles: Or perhaps your party.

Mr. Nielsen: Or my party, although there has been a clear indication from the Leader of the Opposition today that there is agreement with the first part of the amendment before the house in any event.

That is the difficulty I see attached to the proposal put forward by the hon. member for Winnipeg North Centre. That kind of assurance cannot be given. I know the committee would act in the best of good faith but we might be presented with the same report again, whereas were we to vote on the amendment now the committee would have precise instructions and there would be no delay whatsoever.

Mr. Knowles: Would the hon. member permit a further question? Is he aware of the fact that the amendment proposed by the hon. member for Bow River provides for even more unlimited speeches in committee of the whole on the resolution than is now the case under standing order 59 (3)? Is he not aware that this is one of the reasons why I feel that the committee should have freedom to look into this matter in the light of all the circumstances? It is for this reason that I think it would be the part of better sense if the committee could examine this matter freely, rather than that the house should pass an instruction of this kind. I hope that rather than have a vote on this instruction the hon. member for Bow River and the hon. member for Grey Bruce would be willing to act in the way I have suggested.

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

Mr. Knowles: I would, gladly, but it is the hon. member for Yukon (Mr. Nielsen) who has the floor.

Mr. Nielsen: I did not mind the hon. member for Winnipeg North Centre interjecting a little speech into my remarks. I realize the distinction he has pointed out. However, there has been a practice which I have discerned even during the short time I have been a member. Notwithstanding the absence of any permissive rule to that effect in the standing orders, the practice has grown up by common consent in the house of allowing ministers in committee and in other situations to go beyond the time to which they are limited by the rules.

Mr. Knowles: Why not leave it that way for the Prime Minister and the Leader of the Opposition?

Mr. Nielsen: In answer to that question, Mr. Speaker, I ask why bring in the second recommendation of the committee at all? Here is the whole point. This practice grew up, I believe in Mr. Mackenzie King's time, of allowing the Prime Minister and the Leader of the Opposition more than the time permitted by the rules. This practice has now grown to a point where we all agree, and obviously the committee agrees, that it has become a serious problem and does eat up the time of the house.

It seems to me that if the house sent a definite instruction back to the committee this particular problem would be resolved. It also seems to me that members opposite speaking through the Prime Minister, and members of the official opposition speaking through the Leader of the Opposition, are in agreement on this score.

Mr. Grégoire: Question.

Mr. Nielsen: I realize the hon. member for Lapointe (Mr. Grégoire) wants to catch the five o'clock train, but he should sit here and listen to matters that are important.

Mr. Grégoire: No; the six o'clock plane.

An hon. Member: He is a plutocrat.

Mr. Nielsen: The hon. member for Winnipeg North Centre (Mr. Knowles) has suggested that perhaps some alteration should be made to the rules with respect to this practice that has grown up. I say to the hon. member that since the whole report is being referred back to the committee there is nothing to prevent the committee considering the very matter he raised and adding a fourth proposal to bring back to the house. It is entirely open to the committee if they want to consider further amendments along the line the hon. member suggested, and instead of limiting it to three recommendations they could bring in a fourth.

Judging, too, from the near unanimity expressed in the house with respect to the adoption by the house of the first and third paragraphs of the report, it seems that the fears of the President of the Privy Council (Mr. McIlraith) and any other fears that have been expressed or may be expressed on the subject, are unfounded since we all appear to be in agreement on the first and third paragraphs. I think it would be anticipating difficulties which will not arise if we anticipate that the first and third paragraphs of the report will be reconsidered when the house receives a report back from the committee after this amendment is passed.

For these reasons, sir, I do not think any time is lost and I believe the feeling of the

house as a whole will be expressed more adequately if the specific instruction is sent back to the committee with regard to the specific amendment to the second paragraph of the report. Should the committee desire to make further amendments along the lines suggested by the chairman of the subcommittee, the hon. member for Winnipeg North Centre, they can always add a fourth or even a fifth or more recommendations to the report when it comes back.

Some hon. Members: Question.

Mr. Winkler: Mr. Speaker—

Mr. Speaker: Order. If there is no possibility of agreement, I respectfully suggest that we could ask whether the house is ready for the question.

Mr. G. W. Baldwin (Peace River): Before that is done, Mr. Speaker, as one who seconded the original motion may I make the observation that one could not listen to what was said by the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker) and the other party leaders without emphasizing the point which I first raised as to whether or not we were infringing upon certain traditional rights.

I have this reservation about the amendment. I believe there should be adequate protection for the members of this house to present, at the time resolutions of this kind are passed, alternatives to the suggestions contained in the phrasing of the resolution. This is the only opportunity, as I pointed out before, for hon. members to do this. By the time we get into second reading it is usually a little too late, in many respects. Consequently, if we are bound and limited by the amendment as it now stands we would be prevented from doing what I think we should do. I believe we should give consideration, on the occasions when extended time is allowed, as has been the practice in the past, to extending the period that we are now limiting to one day by sufficient additional hours to provide for members of the house who are not in the category of those who are included in the motion of the hon. member for Bow River (Mr. Woolliams) to make their representations, and thus not have a situation where we might have two hour or three hour speeches, which would leave 1½ hours for members of the house, who would then not have what I consider they should have, namely an adequate opportunity on these resolutions, so long as we are going to have the resolutions, to make their representations.

Some hon. Members: Question.

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, in connection with the amendment that is before the house at the moment I would like to make a few brief observations before any action is taken in this regard. It seems to me that in the course of discussion today—because one could hardly say it was hard and fast debate; it was one of the better types of discussion we have in this house—there was general acceptance in regard to the entire report, with the exception of the point outlined in the amendment.

Mr. Grégoire: Question.

Mr. Winkler: I think the hon. member for Lapointe (Mr. Grégoire) will have an opportunity to make a speech if he desires, and not these periodic interruptions that sound like a beep.

Mr. Woolliams: He wants to catch the Friday train; that is his trouble.

Mr. Winkler: It seems to me that has been made quite apparent this afternoon. As was pointed out in possibly a different way, one of the reasons we have this difficulty is the proliferation of parties in the house. It seems to me that the recommendations before the house are valid and I believe everyone has agreed that they will assist in expediting any measure that is before the house. There is also another point that has been overlooked in the general terms of the debate. It is simply this. Although we are trying to overcome this one particular hurdle there are other matters which also need consideration, such as the allocation of speakers on any particular measure that is before the house. I find it very peculiar that the official opposition, here recognized as such, with 96 or 97 members, is treated on a one speaker per party basis, as was the case earlier in this very debate. I believe this particular aspect of debate in the house is also unfair.

Therefore, Mr. Speaker, before I resume my seat let me say that I believe the house is ready to accept the terms of the amendment, and I hope this will be the case; because if the house now determines that this amendment is acceptable, and this particular matter is sent back to the committee with distinct and definite instructions, this is the only change that need be made by the committee. Subsequently, when it is reintroduced in the house, this report will then be accepted, without the possibility of having any

one member cause the disruption that can exist if it is accepted as it is.

Some hon. Members: Question.

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

Some hon. Members: Question.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have just a few words to say. It seems to me that although we have had an assurance from the chairman of the subcommittee that this problem will be reopened when that committee meets, there can be no assurance that it will be dealt with; there can be no assurance that it will be brought back to the house. I do not question the integrity of the hon. member, but a subcommittee cannot give an assurance to the house that the matter will be dealt with as the house desires or that the matter will ever come back to the house.

It now appears that the house has expressed an opinion with regard to the report of the committee, and with deference to the committee I suggest the house is a superior body. There are quite a number of members in the house who are just as much interested in alterations to the rules as the members of the committee. The committee has been praised all day for the work it has been doing and is doing, and I add my praise to the work of the committee. However, I do suggest in this instance there would be more praise for the committee if it would accept immediately the suggestion now being made by the house as a whole. As the hon. member for Grey-Bruce (Mr. Winkler) has pointed out, there need be no great delay. If this matter goes back to the committee and the committee meets next Tuesday or Wednesday and immediately reports back to the house, I see no reason for further debate on the matter if the instructions of the house have been incorporated in its report. So that this day's debate will not be lost at all and there will be no cause for worry in that respect.

I had hoped the committee would have found it possible to abolish on a trial basis the resolution preceding money bills, but various reasons which may be raised in objection to that have been pointed out. That being the case the committee has suggested a one day debate. I think they went a little too far in doing that by restricting the long acknowledged rights of the Prime Minister and the Leader of the Opposition, the minister who introduces the money resolution and the first person to reply to it. That is the reason why our amendment has been brought forward. Other than that we are approving of the work of the committee.

I would make this plea to the committee. A plea has been made to the mover and seconder of the motion, but I would make the plea to the committee that it accept the proposed instructions from the House of Commons, reassembles, gets on with the job —it could meeet this afternoon if it wishes— and bring the report back at our first meeting next week, when I am sure the house would approve it without further debate.

Mr. Knowles: Would the hon. member permit a question. How can the committee accept a direction from the House of Commons which the House of Commons has not yet given to it?

Mr. Churchill: We are in the process of giving that instruction now.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, a few words only to underline the inconsistency of those who clamour for the improvement of the Canadian parliamentary procedure and the elimination, when possible, of useless debates.

The committee, which is representative of all the parties in this house, suggests that the debate on the resolution preceding a money bill be limited to five hours. Everybody admits that one day's debate, at the resolution stage, is sufficient, for since we do not have the bill then, we do not know how it will be drafted.

Besides, when the bill is introduced, we still have an opportunity, at the second reading stage, to discuss the principle of the bill; moreover, when section 1 of the bill is called we are allowed by the rules and procedures to debate the purpose of the bill. At that time the Leader of the Opposition (Mr. Diefenbaker) and the Prime Minister (Mr. Pearson) may both speak for as many minutes or as many hours as they see fit.

Mr. Speaker, the members of the committee were congratulated for having submitted to the house a report so well documented, so well prepared and so consistent. But an amendment is being moved to the effect that the Prime Minister and the Leader of the Opposition might speak as long as they wish, which means that if the Leader of the Opposition speaks for two hours and a half and the head of the government does the same, this totals five hours and there is no time left for the other members who wish to

participate in the debate. Hon. members would no longer be able to discuss the object of the resolution, since the debate would be limited to five hours.

Mr. Speaker, I sincerely feel the amendment should be re-examined by the committee either next week or the week after. In my opinion, the proposal made by the hon. member for Winnipeg North Centre (Mr. Knowles) is reasonable and acceptable.

If we did not take part in the discussion before this, it is because we wanted to allow passage of the motion to shorten useless debate in the house. That is the attitude of our party and I will not delay the house any further now.

[*Text*]

Mr. Frank Howard (Skeena): Mr. Speaker, I may have been mistaken about the manner in which the committee was going to operate and consider the rules of the house, but it was my understanding that the committee would have as its objective unanimity before presenting any proposed rule changes to the house. Again I may be mistaken in this, but I understood that following upon that unanimity these matters would be discussed at meetings of the various parties, the thought being that there would be unanimous acceptance of the matters proposd by the committee in order that we would not get into arguments which had a partisan base concerning proposed rule changes, which should be developed free from partisan differences. I may have been naive and mistaken about that course of action. Obviously I was, because I understood the member for Bow River (Mr. Woolliams) to say that he was speaking today for his party in proposing this alteration or amendment.

Mr. Woolliams: That is correct.

Mr. Howard: He now substantiates that. If such is the case, then the previous conception of attempting to find unanimity within the rules committee before any decisions are made is worthless and has just been scuttled by the announcement of the Conservative party. Not that I myself object to that course of action, but I think it is most deceitful to have people under the impression that they are working toward unanimity only to find they are stabbed in the back after they come into the house to present a particular proposal.

An hon. Member: What have you been smoking?

Mr. Howard: My hon. friend asks me what I have been smoking. I am a friend of the hon. member for New Westminster (Mr. Mather) and do not smoke. I am laying a few facts on the table.

Now, if that is the case it means that we have to look with suspicion in the future at all proposals which emanate from the rules committee, and its value has virtually been destroyed. I am referring to its value in attempting to find in a non-partisan manner rules designed to speed the business of parliament, if that is our goal and objective.

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

Mr. Howard: No, I would not at the moment. If my hon. friend from Bow River will wait until the conclusion of my remarks I will then be happy to accept one. As I said, I do not particularly object to the course of action being followed, as long as we understand what is being done and so that we will not be led down the garden path.

I spoke on the motion for the adoption of the report and indicated that I wished that the committee had come forward with a proposal eliminating debate at the resolution stage, because of the redundancy and duplication which occurs on second reading. The committee felt that the course they presented today was the better one to follow. I indicated at that time that the effect of the committee's proposal to have one day's debate with a 20 minute time limit per speaker would be to push the backbenchers even further back, depriving them of the right to take part in the debate at the resolution stage. I suggested that the proposal we now had before us would guarantee that result.

We all know from past experience that there is a tendency on the part of ministers, and those who reply immediately following ministers, to consume a great amount of time in explanation. If the amendment now before us passes, the predictable result will be an increased consumption of time by ministers introducing resolutions and members replying thereto. I think those members will then take up the great bulk of time available and thereby drive the backbenchers even further into the background. For that reason I am opposed to this amendment. I am opposed to the idea of consolidating even more authority, time and control, and placing it into the hands of a few members in this house. Over the years we have developed parliament to the point where the cabinet

or government, for a variety of reasons, virtually controls the operations of the House of Commons, and I think we would be merely adding to that authority and control by agreeing to this amendment.

Members of the Conservative party, in order to substantiate their view, have suggested that the greater the number of parties in the House of Commons the longer will be the debates, and that the greater the number of parties there are the more time will be consumed.

Mr. Woolliams: That is correct.

Mr. Howard: The hon. member suggests that principle is correct. If one followed that argument to its logical conclusion we would have to assume that the fewer the number of parties in the House of Commons, the less time would be consumed in debate. Perhaps to have the most efficient parliament possible we should have only one party and operate along the lines of a dictatorship.

Mr. Woolliams: Obviously that is not what I said.

Mr. Howard: Mr. Speaker, the hon. member for Bow River had an opportunity to speak, and I would ask that he allow me that same opportunity, without interruption.

Mr. Woolliams: Please quote me accurately.

Mr. Howard: I was not quoting you at all, my friend. I would not dare quote you.

Mr. Woolliams: You could not.

Mr. Howard: In fact, I am very happy to remain aloof, and refrain from quoting the hon. member for Bow River.

Mr. Woolliams: You must, because you cannot quote me.

Mr. Howard: It is bad enough that we have to listen to the hon. member for Bow River without having to quote him as well.

Mr. Rhéaume: Please try to get along, fellows.

Mr. Howard: The hon. member suggested that the more parties there are in the House of Commons, the more debate there will be. On the other hand, I presume the fewer parties there are the less debate we will have. Perhaps we should have a one-party system concentrating all the authority in the leader of that party.

Certainly it is true that the more parties there are in the House of Commons the greater is the desire for members to express their points of view, but I suggest that in itself is the essence of democracy.

Mr. Woolliams: Why amend the rules at all, then?

Mr. Howard: The hon. member for Bow River should not have been so enamoured with the gas debate we had yesterday. Perhaps if he had not been he would now allow me to complete my remarks without interruption.

Mr. Speaker, I suggest that the expression of diverse points of view is the best method of reaching agreement, and surely represents the essence of democratic parliament. The beauty of the type of parliament we have today is to be found in the diverse opinions expressed by the various members.

We do have rules which we must follow, but we must try to amend those rules in such a way as to make sure that we carry on the business of parliament in the most efficient and expeditious way possible, without altering the rights of individual members to express their ideas and arguments in respect of proposals advanced by government or others. If we accept the amendment now before us we will be running counter to that principle and curtailing the right of hon. members to take part in debates. The Tories obviously want to curtail the time available for debate and then monopolize that time.

My original position was, and still is, that we should seek to eliminate the discussion or debate at the resolution stage because it is superfluous. The committee did not think that to be desirable and proposed this alternate plan which would give an opportunity to the members in the house, who wanted to do so, to express their opinions at the resolution stage, but to a limited degree. The amendment now before us would in fact curtail freedom of expression and go against the concept of democracy which envisages the expression of opinions and debate, followed by agreement and the passing of laws.

I think when we vote on the amendment proposed by the hon. member for Bow River we should consider its effect and completely turn it down. We should remember that the result of his amendment will be a curtailment of the freedom of speech and an abandonment of the principles of democracy.

Mr. H. A. Olson (Medicine Hat): Mr Speaker, there is general agreement that the entire report of the committee should be adopted, with the exception of that part referring to paragraph 2 of the proposed standing order 61-A. It would be wrong for us to refer the whole report back to the committee for reconsideration. There seems

o be general agreement that a leader of the pposition and a prime minister should be llowed more than the suggested 20 minutes t the resolution stage. I should like to point ut that whenever a complex piece of legisation is introduced in this house the time imit is never imposed on the person introucing it, or anyone immediately replying, o long as their remarks are pertinent to the ubject matter of the resolution.

So far as I am concerned, I am perfectly villing to rely upon the house to give unanihous consent on every occasion when it is ecessary for the prime minister, the leader f the opposition, or any member in reply, o speak longer than the 20 minutes. Thereore, I think we should not accept this amendent, but rather adopt or concur in the eport as it has been presented. We already ave an undertaking from the subcommittee hairman that he will give this matter further onsideration, and by defeating the amendent we could at least make some progress oday.

Some hon. Members: Question.

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I want to take only a moment o comment on a couple of things I have bserved during the course of this debate. have listened very attentively to what has een going on this afternoon. I was cheered nitially at least by the spirit of congeniality hat seemed to exist earlier in the day. I see o reason for the house to get into a bad emper, and in the process of turning on ach other destroy a report which with minor mendments we would all like to see accepted.

The Leader of the Opposition (Mr. Diefenbaker) stated the position this morning. Subsequently the Prime Minister (Mr. Pearson) spoke and I understood him to say hat he agreed that the exception with regard o the Prime Minister, other ministers and he Leader of the Opposition would receive upport not only from him as an individual nember of the house, but would be supported because it was a change that he as Prime Minister and leader of the Liberal arty in the house would like to see made. Subsequently the Prime Minister left the hamber.

When the amendment was put before the ouse by the hon. member for Bow River (Mr. Woolliams) the President of the Privy Council (Mr. McIlraith) at that point rose n his place and stated, according to my nderstanding, that it was not acceptable to the government. So this leaves a person like myself who had no intention of participating in the debate and who understood that we had a sort of general agreement—

Mr. McIlraith: Would the hon. member permit a question? I am sure he would not wish to misrepresent me. Would he agree with me that the amendment goes much farther than the suggestion made by the Leader of the Opposition and the Prime Minister, and raises other problems?

Mr. Rhéaume: I agree that is true. I also agree that if the report in its present form is adopted it will fall far short of what the Prime Minister and the Leader of the Opposition agreed would be acceptable to them. In any event, I have no intention other than to comment briefly in answer to the hon. member for Winnipeg North Centre (Mr. Knowles). I would say to him that if the report is adopted as presented it will be a much more difficult task to amend it subsequently. This is the history of all measures that are adopted. It is harder to change them, once they have been accepted than it is to make revisions in them at the time they are before the house.

Before the question is put I should like someone from the government side and speaking for the government to explain to me how they can square the statement of the Prime Minister that he felt this change for himself and the Leader of the Opposition at any rate was necessary and desirable with the position as expressed by the President of the Privy Council. I would make a passing reference to the remarks of the hon. member for Skeena (Mr. Howard) who said it is obvious that the Conservatives are trying to squelch the minor parties in this house. As a backbencher spokesman for the Conservative party I would say to him that surely no one in his right mind would pursue the logic he expects us to follow to the point of absurdity, and say that there should only be one party. I hope he is not trying to make the argument that proliferation of parties in the house is not causing delay and has not in fact caused most of the delay. I can think of the obvious example—

An hon. Member: That is a problem for the electors.

Mr. Rhéaume: —which is on motions—

An hon. Member: Who caused the delay on the flag?

Mr. Rhéaume: Mr. Speaker, I suggest that you will recognize anyone who wishes to speak if he will stand up on his feet so he can be identified. I was prepared to do that and I hope other hon. members will. No one in his right mind is advocating a dictatorship, albeit at times when pressed beyond the limit by the hon. member for Lapointe (Mr. Grégoire) some of us wish that a dictatorship could be implemented. The fact is that we as a party are not trying to stamp out splinter groups. I agree with my hon. friends that this is something for the electorate to decide, and I intend to bend considerable of my energies to trying to convince the electorate that stamping out splinter parties would be a desirable and acceptable thing.

An hon. Member: We did it in British Columbia.

Mr. Grégoire: We will get rid of you next time.

Mr. Rhéaume: Hon. members to my extreme left are most anxious to have this report accepted now so that we can go on with the next one which will recognize St. John the Baptist day as a holiday.

An hon. Member: Cheap stuff.

Mr. Grégoire: Now we know.

Mr. Rhéaume: Mr. Speaker, I wonder whether you would call for order.

Mr. Speaker: Order. Perhaps we can proceed with the discussion on the amendment as quickly as possible.

Mr. Rhéaume: Mr. Speaker, I repeat that before the question is put I should like someone on the government side to explain, if he can, how they can square the position taken by the Prime Minister this afternoon with the subsequent statement by the President of the Privy Council that the amendment would not be acceptable.

Mr. McIlraith: Mr. Speaker, I wonder whether the hon. member would permit a question. Is he not intelligent enough to understand that the positions taken were identical?

Mr. Lambert: No, they were not.

Mr. Rhéaume: In answer to the question Mr. Speaker, I think I am intelligent enough to do this, but since I appear to the minister to be obtuse I invite him to explain to me, if he can, why he finds the amendment proposed unacceptable when the Prime Minister himself, presumably still the leader of that party, said it would be acceptable to the government to have the Prime Minister and the leader of the official opposition given extra time.

Mr. McIlraith: Yes, Mr. Speaker. If I have the permission of the house I will make that explanation right now because apparently the hon. member did not understand my remarks or the Prime Minister's. The Prime Minister was very clear in putting it on record that he trusted the committee, that he had confidence in the committee and that he was appreciative of the good work it had done and the break-through it had made. He also stated there was something in the point that the Leader of the Opposition had raised. He indicated that he expected the house would pass the motion for concurrence and try out the proposed amendments to the rules from now, the 166th day of this session, until the end of the session. He went on to say that if the committee in the meantime had not brought in some form of amendment along the lines of the suggestion of the Leader of the Opposition and the Prime Minister the house would be perfectly free to make a specific amendment when the motion for adopting this rule on a permanent basis came before it. That is precisely the position I took, after having added what I thought was an explanation of the procedural difficulty and the objections to the form in which the hon. member for Bow River had presented his amendment to the house. Indeed I invite any hon. member who will, to read the amendment and note the objections to its form, even if he is completely in accord with every detail of what the hon. member for Bow River suggests.

Some hon. Members: Question.

Mr. K. H. More (Regina City): Mr. Speaker, time is running out and it is not my purpose to delay the vote on this report. I do not intend to enter into any extraneous arguments. I just want to say in passing that the argument of the hon. member for Skeena (Mr. Howard) seemed rather strange to me because I do not know whether he was proposing that reports of committees be adopted without debate, which seemed to be the intent of the remarks he made. Certainly I do not think anybody expected that, although the committee might agree unanimously on its report to the house, the house should not have the opportunity to make observations on it and return it if they saw fit.

The amendment, as I understand it, restricts the action the committee can take to the point that the committee would not be permitted, at the same time, to alter the report in other respects. My understanding of the situation is that the backbenchers particularly are concerned that if the amendment carries, and the report were returned with this instruction to the committee, it could mean that three or four hours of the time allotted for the debate would be taken by the leaders, or someone replying. It seems to me, therefore, that if this is the real concern and the instructions are too rigid, I should like to propose a subamendment.

Some hon. Members: Oh, oh.

Mr. More: I am proposing this subamendment, seconded by the hon. member for Moose Mountain (Mr. Southam)—

An hon. Member: A referendum.

Mr. More: Do you want delay of this type, or do you want to use your head a little bit? I am serious in the proposals I make. I am not entering into extraneous matters because I want to complete this debate.

I move that the following paragraph be added:

> Notwithstanding anything contained in standing order 61A (1) should the Prime Minister and Leader of the Opposition or a minister moving a resolution preceding a bill involving the expenditure of public money and the member speaking in reply immediately after such minister, shall speak for more than 20 minutes, during the time when such resolution is under consideration in the committee of the whole house, then the time allowed for debate shall be extended by the additional time over 20 minutes that they shall speak.

In other words, if they spoke for 60 minutes or so there would be an hour and 20 minutes additional time permitted for the debate.

Mr. Grégoire: Carried.

Mr. Speaker: In the short time at my disposal, I have considered the subamendment and I must say that it does not seem to conform to the amendment. I really have difficulty in reading the two together so, in my opinion, the subamendment is not in order.

Some hon. Members: Question, question.

Mr. Speaker: The question is on the amendment to the main motion. All those in favour of the 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 lost.

Mr. Alexis Caron (Hull): I regret, Mr. Speaker, but I have something to say on the main motion before it is put.

[*Translation*]

Mr. Speaker, I do not want to let this go by without making a few remarks because everything which was said simply proves that I was right in believing that the committee lacked courage and will power when this was set up. In fact, paragraph 4 says:

> There is, however, some doubt whether the abolition of the reference of such resolutions thereto would be valid.

Therefore, there is a doubt in this matter. There is no certainty. It is doubtful whether the Queen may reply in the affirmative or in the negative in the case of a money bill.

We all know that the Queen, in a constitutional kingdom like Canada, reigns but does not govern, and I believe that the committee could have decided by itself to remove such a resolution altogether.

Those who object to it can always go to court and attempt to prove that we have no right to act in this manner. But no, doubts persist, there is constant fear about what might happen. This, precisely, proves that I am right. This resolution, and consequently the amendment which has just been defeated, would not have been justified had the motion disappeared, for neither the Prime Minister (Mr. Pearson), nor the Leader of the Opposition (Mr. Diefenbaker) asked to speak longer than the other members.

Consequently, let the committee decide once and for all to eradicate completely the resolution stage which is an obsolete English custom which has no place in Canada. I should like to see it disappear entirely from our statutes, and those who object to this can always institute proceedings.

I think the committee could go even further and do away with the vote of nonconfidence here just as they have done in the United States. The committee could also see to it that general elections are held on a set date, as we might again have a minority government.

These changes could improve our procedure, for it would be a good thing if the government could govern the country.

I am suggesting these changes to the committee in order to improve the situation. The committee was set up to help us and not to

hinder us, as in the past, for instance, a change was made which allowed us half an hour on Wednesdays but in exchange we had to give up half an hour on Mondays, Tuesdays and Thursdays. In other words we had to give up an hour and a half in exchange for half an hour.

These are some suggestions I would ask the committee to reconsider so that a decision may be made as soon as possible.

[*Text*]

Mr. Erik Nielsen (Yukon): Since there appeared to be unanimity on the first portion of the amendment that has been defeated, and since it seemed to be the desire of the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker), that the time be at least extended in so far as those two gentlemen were concerned, I move, seconded by the hon. member for Winnipeg South Centre (Mr. Churchill):

That the motion be amended by striking out all the words after "be" and substituting therefor. "not now concurred in, but be referred back to the special committee on procedure and organization with instruction to amend subsection (2) of the proposed standing order 61A as referred to in paragraph 5 of the said report by striking out all the words following the word "member" in line two of the said subsection 2 and substituting the following:

"except the Prime Minister and Leader of the Opposition moving a resolution preceding a bill involving expenditure of public money shall speak for more than 20 minutes."

The rest of the wording is exactly the same, except the reference to the minister and the member replying has been deleted.

Mr. Speaker: In the very short period of time I have had to look at this amendment and take some advice, in my opinion the amendment as moved by the hon. member for Yukon is repetitious and out of order.

An hon. Member: Question.

Mr. W. H. A. Thomas (Middlesex West): I cannot support any one of these recommendations in the resolution before the house. I should like to commend the committee for the work it has done, but there are principles involved here which I think this house should not lightly overlook. The first section recommends that the Speaker be given authority to rule on motions under rule 26 without the right of appeal. I feel that in this case members of the house are giving up control of the house and I believe members of the house should at all times retain control in parliament.

Section two deals with time limits on debate. It is true it refers only to the resolution stage in the case of money bills, but there is a principle involved here, too, and if we adopt this proposal we are limiting ourselves to five hours of debate, 20 minutes for each speaker. This means that only 15 speakers can take part, three from each party in the house. How would those speakers be chosen? I suggest that if the supporters of this amendment had to take their turn with all 265 members of the house they would not be in such a hurry to bring in this amendment. It is an amendment which would restrict the so-called backbenchers from taking part in debates and I am one who believes that we should not depart from the principle that every member of this house is equal in authority with every other member, and entitled to all the rights and privileges to which any other member is entitled. Therefore I think the provisions of section two of these recommendations are contrary to the principles which should be maintained in this house.

Under section three it is suggested that the title and preamble of any money bill, any resolution or bill, be deferred to the end of the discussion. How can the details of a bill be intelligently discussed if no discussion is permitted on the principle of the bill? I say that the principle of the bill which is called with the title or preamble should be discussed first.

Mr. McIlraith: Would the hon. member permit a question? Does he not realize that it is only proper to discuss the principle of a bill on second reading, and not on clause 1 in the committee stage?

Mr. Thomas: I am still of the same opinion but I do not wish to hold up the house unduly, since time is passing. I just wished to explain why I am opposed to all three sections of these recommendations.

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

An hon. Member: It is almost five o'clock.

Mr. Knowles: All right, let it go.

Mr. Speaker: Shall the motion carry?

Some hon. Members: On division.

Motion (Mr. Knowles) agreed to.

CONCURRENCE IN FOURTEENTH REPORT OF SPECIAL COMMITTEE

Mr. Stanley Knowles (Winnipeg North Centre) moved that the fourteenth report of the special committee on procedure and

organization, presented to the house on October 7, 1964, be now concurred in.

He said: Mr. Speaker, I am sure all hon. members know what is in this fourteenth report. It proposes that from now on, instead of its being difficult for the house not to sit on holidays, it would become automatic that on the nine holidays listed in this report the house would not sit. Those holidays are—

Some hon. Members: Dispense.

Mr. Knowles: —New Year's day, Good Friday, the day fixed for the celebration of the birthday of the sovereign, St. John the Baptist day, Dominion day, Labour day, Thanksgiving day, Remembrance day and Christmas day.

Motion (Mr. Knowles) agreed to.

Some hon. Members: Hear, hear.

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

Mr. Howard: I should like to rise on a point of order before you proceed any further, Mr. Speaker. I wonder whether during all the noise which went on while the motion we have just dealt with was being passed, Your Honour heard me say "on division"?

Mr. Speaker: We shall have to correct the records, then, and say it was passed on division.

CRIMINAL CODE

CONFLICT OF INTEREST—MUTUAL TRUST ORGANIZATIONS

Mr. D. M. Fisher (Port Arthur) moved the second reading of Bill No. C-56 to amend the Criminal Code (the Judas-Tree amendment).

He said: This is a minor bill which I introduced on an earlier occasion. There has been a debate in the house on it. I do not consider it as being of extreme importance and I do not intend to bring it up again at any future parliamentary session. It is obvious that it has not struck sparks among the Liberals and the Conservatives to whom I thought it might appeal. Basically it is a bill designed to appeal to people in the major parties who have been among the "ins" and the "outs" and to give them an opportunity to protect their appointees to various government boards and agencies against dismissal without some kind of notice being given so as to enable those appointees to seek other employment.

I am very pleased to see in the house people like the hon. member for Renfrew South (Mr. Greene) who lately was working in a campaign within another framework, because I know he will be able to bring to the house in this debate the opinions of someone who in framing up the whole party program in a campaign realizes how important it is that one not only knows people but also gets help from people who may expect to receive some kind of position or some kind of reward after a party has achieved power.

Mr. Byrne: Only the C.C.F. would do that.

Mr. Fisher: I know that the hon. gentleman and some of his friends realize this is a practical or pragmatic kind of politics. I was trying to recognize that it exists in introducing this bill. As I said on a previous occasion, I have introduced it for this reason. What triggered my introducing the bill was the summary refusal to reappoint a man who had been a Conservative appointment to the Canadian pension board. I believe very strongly that a minister and an executive should have the right to make these appointments. I know that just the other day the question was raised of the appointments to the board of directors of the C.N.R. A great many of these appointments were made by the previous Conservative government. Some of these appointments were terminated, and I have heard that some of the directors were rather hurt that their service had come to an end. This happens to be a part time kind of chore. I do not know what the basis of judgment should be with regard to whether they have done a good or a poor job. I do know there are some perquisites in connection with being a director of the C.N.R. which probably make the job attractive to people. I also imagine there are members of the Liberal government who would like to get their friends appointed to such a prestigious position.

Again, Mr. Speaker, this bill does not deal with that matter; it is not any complaint about that. It tries to give the opportunity of a fair warning when a government changes so that a person who has an appointment or a tenure for a definite period of years will know before the end of his tenure whether the government intends to reappoint him or not, so he can go about making arrangements for other work.

I think we were all intrigued a few weeks ago at the news that the head of the board of broadcast governors, Dr. Stewart, had written to the Prime Minister (Mr. Pearson) a personal letter indicating that he would not be willing to consider reappointment next year when his term of office came to an end. I do not know the reasons for Dr. Stewart feeling this way; I am sure he expressed them to the Prime Minister. But obviously here is someone who has the kind of appointment I am talking about and who is moving well ahead of time to anticipate any dropping. I am sure his colleague who is a permanent member of the board, Mr. Carlyle Allison, must have grave doubts as to whether a Liberal administration would wish to appoint him when his tenure of office ends, as it is due to end. I quite agree that the Dr. Stewart case indicates that, given time, knowing that he now faces a Liberal administration and is likely to face a Liberal administration unless we get an election much sooner than I expect, one can take a step in anticipation—

Mr. Greene: I rise on a point of order, Mr. Speaker.

Mr. Fisher: I am always glad to have a point of order raised.

Mr. Greene: I wonder whether the hon. member is in any way speaking with any relevancy in respect of Bill No. C-56. Is he on the wrong page, on the wrong chapter, and playing a record that he meant to play last year? This bill is concerned with conflict of interest. With respect, Mr. Speaker, I think the hon. member is on the wrong wavelength. I suggest that he is on the wavelength of the King's evil, rather than the Judas tree. That is the problem with having such a literary mind; one can never be sure exactly which wavelength one is on.

Mr. Fisher: Mr. Speaker, I never appreciated a point of order more.

Some hon. Members: Hear, hear.

Mr. Fisher: I only regret that it had to be the hon. member for Renfrew South, who is back after all his labours, who raised the point of order; who was bright enough and quick enough to seize this point before you did, Mr. Speaker, or before I did. Of course, the primary responsibility should be mine. The hon. member is quite correct, Mr. Speaker. I do not know whether I could get agreement to move on to the other bill.

Mr. Douglas: It is a shame to waste a speech.

Mr. Robichaud: Headlines in the *Telegram* tomorrow.

Mr. Fisher: I do not know whether I should ask the permission of the house to move on to the other bill; I do not suppose I could get it—but, Mr. Speaker, I should like to move on to the bill concerned with the King's evil.

Mr. Douglas: You are in the right church, but the wrong pew.

Mr. Deachman: On a point of order, Mr. Speaker—

Mr. Fisher: My colleague says I am in the right church, but the wrong pew.

Mr. Deputy Speaker: Order. I understand the hon. member for Vancouver Quadra (Mr. Deachman) is rising on a point of order.

Mr. Deachman: Mr. Speaker, I think we can help the hon. member out of his dilemma. I distinctly heard Bill No. C-56 called and I had opened Bill No. C-56 and had it before me. I think that if the house unanimously recognized that all those words which the hon. member has already said in some way have some relevancy to Bill No. C-56, the hon. member could then continue.

Mr. Fisher: I do not think that is a great deal of assistance, Mr. Speaker, although I appreciate the try. Bill No. C-56 has not been presented to the house before. The reason for bringing it in really relates to representations I have received from certain people who are interested in the mutual fund and the investment fund business. These people made the point to me that there is a practice that is more than a tendency for mutual funds to take advice from firms that in a sense are captive to their own, and to take this advice, instead of at a negotiated fee, at a percentage of the volume of business handled. As a consequence, if it is a quarter of 1 per cent, it sometimes has gone as high as 1½ per cent, and then the amount of money that is made by the investment firm is extremely high.

Given a well managed fund and a good return, I do not suppose any investor is going to complain about this. But the representations brought to my attention were by people who pointed out the identity, if you want, between the senior officers of the investment firms and the senior officers of the investment analysis and advisory people. It is rather

obvious, particularly if you have read the book "The Grim Truth About Mutual Funds" by Ralph Lee Smith, that this practice has caused serious concern in the securities and exchange commission of the United States. This identity of interest is a means of giving an extra reward and profit in the operations to officers of mutual funds organizations. The effect of this amendment to the Criminal Code is contained in the bill as follows:

> —when his undertaking so entered into or continued may or does conflict in interest with an obligation of whatever nature by him owed in whatever capacity to any other person—

And so on. That means that if you have an investment analysis organization which is a subsidiary or, in effect, a captive in control of a fund or trust company, the compensation or benefits entered into by the people who are advising the organization are under a very definite control by the Criminal Code. The explanatory notes state:

> The principle of this bill has been applied to, and presently binds, members of this house and the Senate—by each house in its orders and rules and by parliament as a law of Canada.

That is inserted to emphasize the fact this principle does apply.

On this particular question of advice which brings financial gain, I realize how difficult and complex a problem one gets into when you look at all the various kinds of organizations which in a sense are advisory and at the same time may be considered captive. One of the reasons I felt an amendment to the Criminal Code would be worth while—and obviously it is not possible to come at this through any securities and exchange regulation—is that it would be there as something which could be invoked and brought up when something of this kind became a very evident scandal, rather than something which would be in application all the time where there are these kind of financial relationships.

I know it would be difficult in the case of certain lawyers and legal firms. For example, I can think of several in my own area to which this would apply. There is nothing wrong in what they are doing, but in effect several lawyers are partners in construction firms which do a fair amount of building and construction work. This is a sideline for them in a separate company. At the same time they are the legal advisers to the firm. I had not any intention in introducing this particular amendment to create any difficulties in an organization of that kind; I was thinking more specifically of the kind of public company operating in the trust and investment field whereby, as a means of providing an extra profit or some extra kudos to some of the senior executives, this advisory agency is set up and is given a percentage of all that which is invested by the major company, which would ensure a very tidy income which, in terms of the amount of time and skill put into it, just does not really seem justified. In essence it is a fictitious value which is created by this type of advice. I do not know how widespread is this practice in Canada but I do know from two different mutual organizations to whose representatives I have talked that the situation does exist in Canada.

There is very little more I want to say about this bill other than that I should like to see some interest in this question of mutual funds and investment funds, the way they receive advice and that advice is paid for. I happen to have some kind of certificate—I do not know that it actually represents shares—which I got a few years ago from a mutual fund in connection with a plan which sends your children to university. I have no complaint of the purchase which I made or the whole framework of the operation, but I do feel that if a particular company has an expanding order of business, as this one has, and if their investment advisers are dealing essentially with the same market, no matter how much money the firm has to invest it does not seem to me that a straight percentage of income from that amount of investment and investment growth is really fair. It seems to me that this is sloughing off some of the profits which should go to the actual investors in the fund.

Despite the humour and embarrassment of the situation, Mr. Speaker, I regret that in a sense I have belittled my own bill as a result of the rather over-glamorous or over-gimmicky name attached to the title of "the King's evil". This shows how much confusion at least one member of parliament can get into and I apologize to the house and to my colleagues for the mistake I made. I also express my appreciation to the "boy from the valley", if I may put it that way, for drawing this mistake to the attention of myself and the house.

Mr. D. G. Hahn (Broadview): Mr. Speaker, I felt sorry for the embarrassment caused the hon. member who, in his confusion at the beginning of the hour, started speaking on another bill. I think the speech he started on would have been better than the one we heard, and having heard bits of both I am not sure which would have been more relevant to the bill under discussion. I am afraid that the

hon. member's sense of confusion relates not only to today, when he is discussing the bill, but also possibly went right back to the very day he introduced the bill. I have read this bill, and although I do not know what a "Judas-tree" amendment is, I think I do know what a conflict of interest is. I am afraid the provisions of the bill, if the bill were enacted, might in fact trap and ensnare the hon. member himself. Therefore I suggest to the hon. member that he give serious thought to looking at the bill under the cold, clear light of logic and possibly withdrawing it, because I think all of us would be very sorry indeed if he were to be enmeshed and entrapped in his own legislation.

This bill states that everyone is guilty of an indictable offence and is liable to imprisonment for ten years—which is a long time—who enters into a contract, agreement or relationship whereby he undertakes to sell or to furnish advertising, publicity or other service, information or data when his undertaking so entered into or continued may or does conflict in interest with an obligation of whatever nature by him owed in whatever capacity to any other person.

I suggest that the hon. member be very careful that this does not apply to himself. He, like the rest of us here, is a member of parliament. He is remunerated and is obliged to serve his constituents and his country by his presence in the House of Commons, on committees and in his constituency. He is also obliged to use his time, and whatever talents he may possess, in order to study and cogitate in respect of legislation and other matters which would further the ends of this country and his constituency.

In addition to those obligations the hon. member has undertaken a few others. He writes a newspaper column. He is our poor man's Dorothy Kilgallen. I am informed he also has a television program, but fortunately so far I have not seen it.

Mr. Douglas: How do you know you are fortunate if you have not seen it?

Mr. Hahn: I am very fortunate in not having seen it.

Mr. Douglas: How do you know, if you have not seen it? Perhaps you have missed something.

Mr. Hahn: I have conversed with others who have seen it and who have appeared on it. These activities take up the member's time—time, as I understand it, that he and the rest of us are obliged to spend on parliamentary duties. This raises certain questions which I think the hon. member should consider.

Mr. Fisher: I wonder whether the hon. member would permit a question?

Mr. Hahn: I do not think I should—

Mr. Fisher: All right, that is fine. I just wanted to ask one question. The hon. member must realize that the line he is taking I do not find unwelcome, but I should like to point out to him that he is giving me an opportunity to open up a real Pandora's box in connection with a great many of his own colleagues.

Mr. Hahn: I think the line I am taking is one I deduced from the bill.

Mr. Fisher: If you deduced that from this bill, that's fine.

Mr. Hahn: We all must speak about those things which are apparent to us when we study specific legislation.

I was suggesting that there are some questions which perhaps the hon. member should consider before insisting that this bill be passed. In addition to the hon. member's other activities, how much time does he spend collecting and writing this gossip, innuendo and behind the curtains tittle-tattle which is printed in the newspaper? Does this activity of collecting, assembling and writing this material really serve the country and his constituents? Is he acting in the best interests of his constituents and his party when he has to cross a picket line in order to publish his column?

Mr. Fisher: That is not true.

Mr. Hahn: Is it possible that even in this house, sitting behind his desk, he is thinking about writing this column when he should be doing what the rest of us do under similar circumstances—that is, read the daily newspapers? Does he stay in parliament to hold his job as a columnist, or does he hold the job as columnist to maintain his seat in parliament?

Mr. Speaker, I think those are interesting questions that should be considered, and there are several others which come to mind. How often is he able to visit his constituents, and do these other activities hinder him in that regard? Those are questions that should be considered, because these activities do conflict with his interest as a member of the House of Commons. I think the hon. member must search out carefully the answers to those questions before asking that this bill be proceeded with, and I think that he must satisfy himself

hat if the bill does pass he will not be trapped n his own net. I am afraid if it were to pass, he provisions of the bill would remove the ion. member from our presence for a period, s outlined in the bill, of as long as ten ears. I am sure that if that were to happen ome of us may or may not miss his column, ome of us may or may not miss the television how, but most of us would miss his presence n this chamber and the warmth that sometimes rises on a cold winter's day from his vords.

Therefore, Mr. Speaker, in the interests of he hon. member and in the interests of the est of us, I hope that he will reconsider and vithdraw the bill.

Mr. Lloyd Francis (Carleton): Mr. Speaker, have listened with a great deal of interest o the explanation of the hon. member n introducing his bill. I know on many occasions he has made presentations to this ouse which have been very convincing and ave carried a great deal of logic. It is unortunate today that the bill now under conideration is not one of his better efforts. I ave a great deal of difficulty understanding he bill, although I can understand the conlict of interest.

The drafting of this particular bill has aised questions in my mind. If I may, at this ime, I should like to divide my comments nto two sections. First, I should like to disuss in general the principles of private memers' bills, using this one as an illustration f what a member hopes to achieve by introlucing such a bill. Second, I should like to omment on some of the broader implicaions of what I consider to be the imperfect rafting of this bill, and the reasons I peronally do not think it should be enacted in ts present form, or sent to a committee in ts present form.

Earlier this day we received a presentaion from the leader of the hon. member's arty, reiterating the point he had previously nade in another place, to the effect that as art of a reform of this institution we should ermit every private members' bill to come o a vote. That was one of the principles put orward in a general statement some two veeks ago, and which was distributed outide this chamber. I was fortunate enough to eceive a copy of it, and I must say it conained a great deal of material which was rovocative, interesting and constructive.

I should like to discuss this principle, that very private members' bill come to a vote, n relation to the draft now before us, and n relation particularly to the explanatory notes which are presented to this house. People say this House of Commons can be a very dull place, but I cannot help but remember the debate that took place in this chamber yesterday. The House of Commons has devised its own form of amusement in the Bell Telephone hour, in which it has indulged for something like five months. It is in the form of a private members' bill, in this case sponsored by a member on this side of the house. There has been no indication that this private members' bill will ever be permitted to come to a vote. Hon. members of the party to which the sponsor of this bill belongs, and I want to make it clear that I am not referring to him in this regard, have moved amendments to that bill and have generally prolonged the debate. On one occasion I referred to that bill being talked out by spokesmen of that party and I was met with the ingenious explanation of the hon. member for Greenwood (Mr. Brewin) that somehow, when members of that party are talking at six o'clock, they are not really talking out the bill.

The truth is that observations in regard to a bill are right and proper in this chamber, and should it happen that the time allotted for the consideration of a bill expires, there is no reason why the bill, just because it is a private members' bill should be voted on or disposed of. That is not a necessary reform of this institution, and there is certainly some hypocrisy on the part of the members of that hon. member's party in this respect.

Mr. Fisher: Mr. Speaker, I wonder whether the hon. member would acknowledge that the Bell Telephone bill, or pipe lines bills that have been talked out during the private members' hour, are not public bills? I think that is a distinction he should keep in mind. According to the rules of this house, it is not possible repeatedly to talk out a private member's public bill, because such a bill comes up once and then drops to the bottom of the order paper.

Mr. Francis: Mr. Speaker, if the suggested amendment to the procedures of this house is that certain types of private members' bills should be voted on while other types should be talked out, I suggest that the explanation which has been placed before this house has not made that kind of distinction. I was most interested to learn the principle by which we can distinguish those bills which it would be right and proper to talk out or to be making observations on at the end of

the hour and those in regard to which it would not be considered proper.

Mr. Fisher: Mr. Speaker, maybe I could ask the hon. member a question. Is there not a distinction between a private corporation such as the Bell Telephone Company or West Coast Transmission having a bill put through the house by a private member because of certain requirements they wish, and the ideas of members of parliament relating to public matters and represented by the long list of public bills found on the order paper?

Mr. Francis: I find this question very interesting. I thought I was being attentive to the debate but I did not hear that distinction being made. But if this is the principle by which the hon. member feels a distinction should be made, then perhaps certain classes of private members' bills relating to the incorporation of companies or membership on boards of directors should be considered at greater length in committee prior to being brought into the house. I do not know, but at least this has not been spelled out before. As I understood the presentation placed before us today I thought there was a blanket suggestion that somehow we could improve the operation of the house by voting on all of these bills. I had not heard the distinction which the hon. member has now endeavoured to make being offered by spokesmen for his party.

I said also in beginning my remarks that I did not find the nature of the bill such as one would normally expect in legislation which is offered for the serious purpose of enactment. May I refer to the explanatory notes where I find the following:

> For the Janusary of Mammon who has everything—

This is interesting language although I admit it is not the usual legal style. I must confess I have a great deal of difficulty understanding what a "Janusary" is. It is not a janizary, the former mercenary soldiers of the Ottoman empire, with whom I first confused it. Apparently it is a literary allusion of a rather profound and obscure nature. The explanatory note continues:

> —for the con-man confiscador of the Bay street boardroom—

The alliteration is interesting, but again I do not feel that alliteration should be the prime consideration of legal draftsmanship. I find that the whole tone and temper of the explanation given to us is pretentious and I wonder whether a person who has drafted an explanation in these terms really expects this kind of private members' bill to be enacted with this type of explanatory note. I know it is good journalism to, shall we say, be a little more provocative in style, but I do not think it is good legislative practice even in drafting explanatory notes.

I want to speak on the nature of the bill itself. Again, I am not trained in the law; I am simply a person who tries to read and understand the English language, and I have difficulty understanding this bill. Clause 1 reads in part as follows:

> Every one who, for compensation or benefit of any kind whatsoever, enters into or continues a party to any contract, agreement, or relationship, whereby he undertakes, in whatever capacity, to sell or furnish to any person any investment, managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or other service, information, or data, when his undertaking so entered into or continued may or does conflict in interest with an obligation of whatever nature—

This is a very sweeping indictment. Conflict is of the nature of things in our society. This is certainly so in our political life. The problem, Mr. Speaker, is not the existence of conflict. I think that the problem with which the hon. member is attempting to cope is the situation in which there is a lack of full and complete knowledge on the part of everyone concerned of the nature of the conflict, where there is inadequate disclosure of the situation in which a person may put himself, having more than one obligation which is not apparent to the parties with whom that particular person is dealing, where there is a situation in which ties that may exist are not public knowledge or not knowledge or information within the possession of the affected parties. I think that is the kind of situation where the injury lies.

In my own life, for example, I have engaged a solicitor to act for me in the purchase of a house. I knew at the time that this same solicitor had also searched the title for the vendor, had done the initial work on the property and was familiar with the title. The individual was well known to me. He is a man in whose competence I have to this day absolutely unquestioning faith and to whom I would trust my own personal possessions and reputation without any question whatsoever. That man was in a position of conflict as I understand the drafting of this clause, and he would be subject to a criminal penalty. If I have improperly understood the clause I should like some hon. member to tell me in what respect I have misunderstood it.

It seems to me that the hon. member has cast much too broad a net for the purpose

he has in mind. Legislation should be specific. Legislation should deal with specific evils in a very specific way. An attempt to do too much, to use language that is too inclusive, to prescribe penalties in situations where they would not be enforced, does not result in the kind of legislation that according to my understanding of the law should be enacted in this house.

I come back to my initial point. What is the purpose of a private members' bill? I think the hon. member has a most laudable purpose. He wants to call attention to certain situations where conflict exists, where there is harm done, and I think the best way in which the house can deal with this problem is to debate it at some considerable length. I would be very much surprised if the time of one hour would be sufficient to permit a subject as broad and as important as this to be disposed of by the house.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, in my opinion we have seldom seen in this house a bill such as Bill No. C-56, and I am convinced that the hon. member for Port Arthur (Mr. Fisher) does not talk the same way to his electors in order to be elected, because he would confuse them more than he would enlighten them under such circumstances. In fact, we do not know exactly where he is heading for.

I listened carefully to the remarks made by the hon. member for Broadview (Mr. Hahn) on this bill, and I believe he inferred that the hon. member for Port Arthur (Mr. Fisher) did not serve the best interests of his electors because he was writing a column in a newspaper or appeared on a local television program in Ottawa, on station CJOH-TV, which perhaps covers all of Canada.

In this respect, Mr. Speaker, I wonder if several Liberal members should not be blamed for maintaining a law office, a business or practicing another profession, apart from being members of parliament.

The hon. member for Port Arthur is certainly entitled to write in the newspapers and to emcee a television program. He even invited me to appear on his program once, and although we may not share the same political views I must admit my fellow member's television program is objective. He endeavours to inform the public by making use of every political faction in the country and allowing them to express their opinions very freely.

In my opinion the hon. member for Broadview was getting onto very slippery ground for his party and for the entire body of representatives because every single one of us can engage in business activities even though we are members of this house. In fact I myself am a merchant in addition to being the member for my constituency. I am not ashamed to admit it loud and clearly. I do not think it is quite fair that a stone should be cast at the hon. member for Port Arthur in this connection.

In his bill the hon. member for Port Arthur tells us about Mammon, Bay street, Janus, of people who try to suggest economic panaceas, universal remedies.

I wonder if the hon. member did not really intend to remind us of what he has read in the Bible by attempting to compare it with what goes on in the financial world.

It is a fact that there are parasites in the world of finance, people who extort money from the public through all sorts of fraudulent ways and means.

For instance, not too long ago there were mine promoters in northern Ontario; indeed, we had some too in northwestern Quebec. Those people, who were not truly mine promoters, stole large amounts of money from average citizens and workers who had some savings.

When fantastic ore deposits were discovered in the Timmins area recently, swindlers rushed to areas located 40 and 50 miles away from Timmins, and formed mining companies with respect to properties which had absolutely nothing in common with the site on which the ore was found. Federal charters as well as provincial charters were the object of speculation. In any case, people were swindled out of their funds. This is plain robbery, no less, of the small investor.

Such practices have taken place and still take place in our country in many fields, not only in the sale of mining stock. I have just referred to a recent instance, but thousands upon thousands of small investors are losing their savings in this way. Among them are workers, miners, labourers, or farmers who sold their cattle and their property in order to buy stock in such mining companies on the strength of some tip they claim to have got about this or that mining stock. They had been told that in a matter of months, they would get three or five times the money they had put in.

Today these people are grievously concerned; they are in a sad predicament. Why? Precisely on account of those sharpers paid by stock market operators to extort the workers' money.

In this respect, the bill introduced by the hon. member is justifiable. His explanations of it are not quite clear and my constituents will understand nothing about it, neither will 80 per cent of the hon. members for that matter.

I quote from his bill:

> The Criminal Code is amended by adding thereto, immediately after section 325 thereof, the following section:
>
> 325A. Every one who, for compensation or benefit of any kind whatsoever, enters into or continues a party to any contract, agreement, or relationship, whereby he undertakes, in whatever capacity, to sell or furnish to any person any investment, managerial, financial, legal, engineering, purchasing, marketing, auditing, statistical, advertising, publicity, tax, research, or other service, information, or data, when his undertaking so entered into or continued may or does conflict in interest with an obligation of whatever nature by him owed in whatever capacity to any other person is guilty of an indictable offence and is liable to imprisonment for ten years.

Can anyone imagine that this will be readily understandable to the man in the street?

It seems to me that the earnest hon. member for Port Arthur—whom I know to be a responsible man—could have introduced a bill couched in clearer language which would have included all those financial sharpers operating all over the country, the con men and tipsters of "good things" in the way of securities or mining stock, and the rest of it.

Mr. Gauthier: Yes, and real estate too.

Mr. Caouette: Yes, real estate too, as pointed out by the hon. member for Roberval.

In any case all those professional swindlers—and there are countless numbers of them in Canada—who try their luck and who, so we are told, are none the less, as I stated in my opening remarks, parasites, leeches, living on the blood and sweat of small investors. They lead a life of idleness, with only one purpose in mind, hornswoggling the public.

As I said earlier we have seen instances of them in the field of finance. In my own riding we have had the case of an non-existent mine, and yet hordes of salesmen covered the province of Quebec selling stock in that fictitious bonanza. And do you know, Mr. Speaker, that stock which originally was selling at 10 cents a share later went up to 77 cents without any development work being done for the simple reason that there was no such mine. And yet shares were being marketed; there was stock-jobbing going on in those mining stocks and on the stock exchange.

Now, who had a say in the value of those shares? A handful of men at the head of that mining company. So it was that close to a million and a half dollars were extorted from farmers, settlers, miners, small wage earners, and nobody was punished under either provincial or federal legislation.

The same thing happened in the Timmins area. It is still being done. No provincial or federal government ever steps in to put a stop to those financial intrigues designed to take unfair advantage of plain folk.

Now a bill designed to bring to light the defrauders or ferret out swindlers and cheats should be adopted by this house so as to put an end to this shameful exploitation of the small wage earners in this country.

[*Text*]

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I have read the explanatory notes of this little bill with a great deal of interest, as has my colleague who spoke just a few minutes ago. It is a little classic of allusion and alliteration with such phrases as "Janusary of Mammon" and "pink pep pills". There is nothing really wrong with this little composition that a sharp editorial pencil could not cure. I am sure any member of the press gallery would help any hon. member of this house who showed such a pathetic eagerness to achieve a literate style. In fact, if I know my hon. friend's stuff at all, I doubt very much that he wrote this because this is not the kind of thing which appears regularly in the press under his byline. I think it is part of the flourishing nineteenth century style of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). I doubt very much indeed that my hon. friend had ever seen this bill before he came into the house. Surely he would not put into the record stuff like "Janusary of Mammon", "Bay street boardroom", and so on. He would be wiped from the editorial pages across the continent if he produced stuff like this. It just is not part of modern day journalism.

I think what probably has happened here is that the shemozzle we witnessed earlier this afternoon goes back even further and that the little bill we have before us is not the one which the hon. member intended to present at all, but that somehow or other the name of Mr. Cameron had been exchanged on the bill for the name of Mr. Fisher and he was reluctantly dragged into the chamber from some other place where he was writing his column, picked up a book,

read from any old page, got off to a poor start, was corrected by the hon. member for Renfrew South (Mr. Greene) and then proceeded to deal with a bill he had never seen before. I must say, though, that in the face of all these troubles the hon. gentleman certainly put up a brilliant performance and I know we would wish to commend him for it.

Mr. G. W. Baldwin (Peace River): I wish to direct the attention of the house to one or two aspects of this bill and I think I can do so in less than two or three minutes.

If it is the intention of the hon. member by this proposal to amend the Criminal Code to strike against certain specific ills, then to that extent, to the extent of his explanation, I have sympathy with his motives though not necessarily with the methods he is attempting to use. An examination of the wording used in this bill indicates, as one hon. member has already said, that far too wide a loop is being cast compared with the result which it is intended to achieve.

I think we must understand the distinction between the civil and the criminal law. Most actions which are the subject of prohibition by the Criminal Code can be the subject of civil proceedings. From time to time under common law where there has been a conflict of interest reflected in a breach of trust by one acting in a fiduciary capacity there has been, and is, a right of action in civil law. But when we come to take from the civil law certain acts and brand them as being so evil in their nature that they should be characterized as criminal offences liable to the penalties of criminal as well as of civil law, I think we must be precise and accurate in our definitions. We must recall that a crown prosecutor called upon to seek a conviction under a section of the Crimial Code has the onus of proving his case beyond any reasonable doubt, and I think it would be most difficult for a crown prosecutor faced with the necessity of asking a jury to return a verdict of guilty to succeed, having regard to the wording which is now used in this measure.

The complexity of the world today makes for so many forms of inter-relationship between people, social, moral and legal that the wording used by the hon. member would, I fear, place a great burden upon the law officers of the crown if it were allowed to become part of the criminal law.

Mr. J. J. Greene (Renfrew South): First I should like to say that the hon. member for Port Arthur (Mr. Fisher) certainly does have one distinction. I think he has established it for himself by this bill. He is undoubtedly the only member of parliament—his claim to fame may be slight—who may be recorded in the annals of parliament for one thing, namely as being the only man ever to introduce two bills in the same private members' hour. It may be a small claim to fame—

Mr. Fisher: It would have been only one, but for you.

Mr. Greene: It matters little to us on this side of the house whether the hon. member hangs himself on the Judas tree or whether he does away with himself by an overdose of the King's evil. Whichever it is, we would be quite satisfied. I was disturbed by the admonitions of the hon. member for Broadview (Mr. Hahn), that if this bill were passed the hon. member for Port Arthur would have to give up one or other of his vocations. I, personally, enjoy reading his column. There have been some very prominent people mentioned in that column. I had the unfortunate experience of using his column as part of my election literature in a recent ill-fated campaign in which I participated, and I was assured by my supporters that the use of the hon. member's column was the very thing which finished once and for all my chances of success in that campaign, and I never read it thereafter. Nevertheless, I personally miss his column. The unfortunate thing would be that if the hon. member were to lose his seat I know he would never gain a place in the press gallery, from his standing with that honourable body of gentlemen, and we would therefore be obliged to do without his column. So I sincerely hope this bill will not pass and that the hon. member will be able to continue bringing a little ray of sunshine into many lives in many places.

I would add one or two words with regard to the general tenor of the bill. I agree with the hon. member for Carleton, that its provisions are too sweeping having regard to the ends which are sought. To this extent it is typical of socialist solutions. With one fell swoop they would cure all the ills of the world. Here they are trying to cure a broad area of ills by one paragraph in one bill. I do agree that in this day and time there is a great need for the protection of the individual citizen in many areas against those in corporate positions of power whether in government or in business. There is talk of legislation to protect consumers. If members wish to talk about an individual citizen in this area as a consumer, it might be good terminology. I think we have done a very

bad job of protecting the individual against big corporations, be they business or government. I think the securities legislation which was referred to by the hon. member for Villeneuve (Mr. Caouette) is a good example of our failure to protect the individual against the organized corporate entities which are to be found in our society. I think that in the United States of America, since the anti-trust laws of Teddy Roosevelt they have done a much better job in this area than we have. Even though we have fallen foul of unhappy constitutional interpretations which make action difficult at the federal level, it is my hope that the general thought behind the hon. member's bill, namely that the public generally should be protected from abuse by corporate bodies so that the private enterprise system may operate fairly, is a commendable one and that what the hon. member is trying to achieve, though in a most ineffective way, if I may say so—

The Acting Speaker (Mr. Batten): Order. The private members' hour has now expired.

BUSINESS OF THE HOUSE

Mr. Churchill: Would the acting leader of the house tell us the business for next week?

Mr. McIlraith: I can give the business for Tuesday. I am sorry I cannot go beyond that at the moment. Before doing so I should like to draw the attention of hon. members to the fact that the motion standing on the order paper providing for an adjournment on Monday now becomes redundant and will not appear on the order paper next week. I do not believe I need consent to withdraw it; I can do so by giving notice to the clerk. In any event, I give the house such notice.

On Tuesday the first item of business will be item 49 on today's order paper, second reading of an act to amend the Crop Insurance Act. The next will be item 7, the resolution on the measure to amend the Merchant Seamen Compensation Act. The third item of business will be item 39 seeking approval of convention No. 111 concerning discrimination in respect of employment and occupation which was adopted by the international labour conference on June 25, 1958. The fourth item of business will be item 77 on today's order paper, which is second reading of Bill No. C-126, an act respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

The Acting Speaker (Mr. Batten): Order. It being after six o'clock, and pursuant to standing order 2, section 4 adopted this day, this house stands adjourned until 2.30 o'clock on the afternoon of Tuesday next.

It being three minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

APPENDIX

REFERENCE TO INTERNATIONAL JOINT COMMISSION ON RED RIVER POLLUTION

October 1, 1964.

Dear Mr. Chance,

I have the honour to advise you that the governments of the United States and Canada have been informed that the waters crossing the international boundary in the Red river are polluted by sewage and industrial wastes. Having in mind the provisions of article IV of the boundary waters treaty signed January 11, 1909, that boundary waters and waters flowing across the boundary shall not be polluted on either side to the injury of health or property on the other side, the two governments have agreed upon a joint reference of the matter to the international joint commission, pursuant to the provisions of article IX of said treaty. The commission requested to inquire into and report to the two governments upon the following questions:

(1) Are the waters referred to in the preceding paragraph being polluted on either side of the international boundary to an extent which is causing, or likely to cause, injury to health or property on the other side of the boundary?

(2) If the foregoing question is answered in the affirmative, to what extent, by what causes, and in what localities is such pollution taking place?

(3) If the commission should find that pollution of the character just referred to is taking place, what remedial measures would, in its judgment, be most practicable from the economic, sanitary and other points of view and what would be the probable cost thereof?

For the purpose of assisting the commission in making the investigation and recommendations provided for in this reference, the two governments will, upon request, make available to the commission the services of engineers and other specially qualified personnel of their governmental agencies, and such information and technical data as may have been acquired by such agencies or as may be acquired by them during the course of the investigation.

It would be appreciated if the commission would submit its report and recommendations to the two governments as soon as practicable.

Yours sincerely,

Paul Martin

Mr. D. G. Chance, Secretary,
Canadian Section,
International Joint Commission,
303 Fuller Building,
75 Albert Street,
Ottawa.

HOUSE OF COMMONS

Tuesday, October 13, 1964

The house met at 2.30 p.m.

PROCEDURE

MOTION FOR CONCURRENCE IN ELEVENTH REPORT OF SPECIAL COMMITTEE

On the order: Motions:

Mr. Olson (acting for the special committee on procedure and organization):

That the eleventh report of the special committee on procedure and organization, presented to the house on October 7, 1964, be now concurred in.

He said: Mr. Speaker, I wonder whether this motion could stand, due to a very reasonable request that has been made. Some hon. members are not ready to debate this report, the concurrence of which has been moved, but hope they will be in a position to take it under consideration on Thursday.

Motion stands.

TOBACCO

PROVISION FOR INSPECTION AND STANDARDS OF QUALITY

Mr. E. F. Whelan (Essex South) moved for leave to introduce Bill No. C-130, respecting the inspection of tobacco and tobacco products entering into international and interprovincial trade (tobacco inspection act).

Some hon. Members: Explain.

Mr. Whelan: Mr. Speaker, the purpose of this bill is to provide standards of quality for tobacco and tobacco products in the export-import and interprovincial tobacco industry in order to protect the financial interest of the tobacco farmers and the physical health of the consumers. This bill is similar in principle, substance and form to the Meat Inspection Act.

I believe we all realize that for a great many people of the nation the habit of smoking will continue for a long time to come. I believe it is the duty of parliament to make sure that tobacco products used for human consumption, whether manufactured here in Canada or in some other nation, should be made as safe as possible, and should have some form of government inspection. We know at one time tobacco stems were not used in manufactured tobacco, but in some instances today this is not the case and they are being used to the extent of several million pounds, creating a large tobacco surplus and marketing problem.

This bill gives similar powers to the Minister of Agriculture as does the Meat Inspection Act, in respect of labelling the product so as to identify the ingredients and additives which may be in the manufactured tobacco product. This bill also allows standards to be made from time to time, as prescribed by regulation of the governor in council.

Motion agreed to and bill read the first time.

PRIVILEGE

MR. HALES—STATEMENT BY AGRICULTURE MINISTER RESPECTING TURKEY IMPORTS

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to raise a question of privilege concerning the Minister of Agriculture and hon. members of this house. On September 10, in answer to a question posed by the hon. member for Humboldt-Melfort-Tisdale, the minister stated, as recorded at page 7826 of *Hansard*:

In the last two weeks there have been no importations of turkeys from the United States—

On October 7 a question was posed by the hon. member for Huron, and a supplementary question by the hon. member for Rosetown-Biggar, which the minister said he would take as notice. On the following day, October 8, the minister said in part:

During the week ending September 5, 185,892 pounds; week ending September 12, 135,500 pounds; week ending September 19, 83,752 pounds and the week ending September 26, 45,112 pounds, making a total for the month of September of 450,256 pounds, bringing the total imports to that date to 8,214,159 pounds.

The point is that on September 10 we were told that there were no importations in the two weeks covering August 29 to September 5 and September 5 to September 10; then we were later advised there were importations in the poundages I have just quoted. So I think the house was misinformed in this respect. In the same statement the minister also said,

as found on page 8870 of *Hansard*, with reference to the turkey producers and his request for suggestions from them:

As yet I have received no reply.

I have here price information release No. 231 of the Ontario turkey association which contains this statement:

It was agreed the industry still considers import controls are what we need, but short of achieving this the O.T.A. fully endorses the C.T.F.'s efforts to have the government step the live tariff up another 2 cents, to 4 cents per pound, as recommended by the Manitoba association with C.T.F. approval. This request crossed a letter from Mr. Hays a week ago Monday.

That was September 21.

In this, the minister asked for specific data on our tariff position, which the Manitoba brief gave concisely. The next move is up to Mr. Hays.

I know the minister did not want to misrepresent the facts nor did he wish to mislead the house, but I think the record should be kept straight.

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, as you and all hon. members will recall, there was a great deal of turkey talk in the house.

I would not want to mislead hon. members of the house in so far as the turkey situation is concerned. Until I check *Hansard* I am not admitting that I said there were no importations of turkeys whatsoever in those two weeks although I am not saying I did not say so. But it seems to me that on every occasion I said that imports of turkeys had practically dried up with the exception of one plant where they were still coming in.

I have written three letters to the turkey federation. The letter to which the hon. member for Wellington South has referred was one from the Ontario turkey federation. I have received correspondence from the British Columbia turkey people and the Alberta turkey people, and I have asked them all to get together and send me a resolution from the turkey federation of Canada with the support of the Canadian Federation of Agriculture and possibly also the farm unions, because this would give me something to consider and take to the proper authorities in order that we might resolve the problem.

I must repeat with regard to the turkey situation in Canada that there is tariff protection of 5 cents a pound, along with 1½ cents a pound because of the discounted dollar and something in connection with freight rates, adding up to a total of about 7 cents a pound. In view of the fact this is about 20 per cent more protection than most of our meat products receive it seems to me that in considering any change we must look at the situation very carefully.

[Mr. Hales.]

UNITED NATIONS

RUSSIA—REFUSAL TO SHARE COST OF PEACE KEEPING OPERATIONS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs. Has Canada been made aware of the fact that the United States is taking the stand that the U.S.S.R. and other defaulting members of the United Nations must make good their assessments as a condition to the right to vote at the next general assembly of the United Nations? If so, does Canada intend to follow a similar course in this regard? Now that the stand of the United States has been made unequivocally plain, I think the house should be made aware of Canada's stand.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I need not remind the right hon. gentleman, of course, that the stand Canada takes in these matters is not necessarily the stand that is taken by any other country. The foreign policy of Canada has always been determined by the government of this country, and that is the way it will continue to be.

The position made known by the government of the United States through Mr. Stevenson was stated in a committee of which Canada is one of the 21 members. The interpretation that Canada places on the default of certain countries, including the Soviet union, with regard to peace keeping financial obligations, is that under article 19 of the charter of the United Nations, a country that is deficient in payment to an amount greater than its assessed contribution for the two previous years renders itself automatically liable to loss of vote.

This is the position as Canada understands it and as the Canadian representative stated it to be in the working group of 21. I hope, however, that this problem will be resolved without invoking the automatic application of this clause. I hope the Soviet union, and any other country that owes money to the United Nations, will find it possible to make payment and thus not render operative this particular provision of the charter.

Mr. Diefenbaker: In order to bring about the realization of that hope, is Canada going to support the postponement of the opening of the United Nations for a month or two so the secretary general may be able to continue his negotiations to the end that the default of the U.S.S.R., and other nations may be met?

Mr. Martin (Essex East): There has been no formal proposal that the opening of the assembly be postponed beyond November 10. There are some pressing matters which, in the judgment of the government, make it desirable that the meeting take place on the tenth.

[*Later:*]

[*Translation*]

Mr. Réal Caouette (Villeneuve): I wish to direct a question to the hon. Secretary of State for External Affairs.

I did not quite understand the explanations given by the hon. minister a while ago concerning the reasons advanced by Russia for not fulfilling its commitments toward the UN.

Did Russia state the reasons why it will not fulfil or why it refuses to fulfil its commitments toward the United Nations, where it has a right of veto, although nothing has been paid by Russia for several months.

Mr. Martin: Mr. Speaker, the U.S.S.R. has given some reasons which, in the opinion of the government, are not acceptable. When the estimates of my department come before the house I shall be in a position to discuss more fully the reasons why we do not accept the position taken by the Soviet union.

[*Text*]

IMMIGRATION

HAL BANKS—PURPORTED PUBLICATION OF DEPARTMENTAL DOCUMENTS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to direct a question to the Minister of Citizenship and Immigration, Mr. Speaker, arising from the publication in the Toronto *Star* of what seemed to be facsimiles of documents from his departmental files in relation to the Hal Banks case. I should like to ask the minister what co-operation was given to the Toronto *Star* in obtaining this material, and if none was given can he give us the explanation, according to his officials, of how these private papers from departmental files were obtained by that newspaper and published?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, I suggest that the hon. member put his question on the order paper; then, the officials of my department will be able to give it the necessary attention and provide the required information.

[*Text*]

Mr. Fisher: I appreciate the minister's attempt to have this question placed on the order paper, but it is current and it is very lively. Certainly I put it to you, Mr. Speaker, that Hal Banks has been considered a matter of urgency, and if at the present time the minister has been co-operating in leaking information that is not available to us as members of the house—

Mr. Speaker: Order. That is a statement, not a question.

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. In view of the fact that the letter was published in the Toronto *Star*, I wonder if the Prime Minister would reconsider his position and have an inquiry into the whole sordid mess.

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

Mr. Fisher: Mr. Speaker, I would like to debate this question at ten o'clock.

Mr. Erik Nielsen (Yukon): As a supplementary question, Mr. Speaker, in view of the publication of this letter in the Toronto *Star* will the minister table the letter and other relevant correspondence?

Mr. Tremblay: No, Mr. Speaker.

WATER RESOURCES

SPEECH BY U.S. OFFICIAL TO ALASKA CHAMBER OF COMMERCE

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. It is of national significance, and the circumstances are of great importance to many Canadians. Has the minister's attention been directed to the report of a speech made by Mr. Gus Norwood, executive secretary of the United States northwestern public power association, to the Alaska chamber of commerce? If so, would the minister inform the house of his reaction to these proposals and projections and their effect on the future development of Canadian water resources?

Inquiries of the Ministry

Mr. Speaker: The hon. member was kind enough to send me a copy of this question, and may I suggest it is an excellent question for the order paper.

Mr. Herridge: Mr. Speaker, I would like the opportunity to discuss this further at ten o'clock.

CANADIAN BROADCASTING CORPORATION

PROTEST RESPECTING PLAY ON PROGRAM "FESTIVAL"

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, may I direct this question to the Secretary of State. Is the government going to tolerate plays like the one that appeared on the C.B.C. television program "Festival" last Wednesday, October 7, which to say the least was revolting?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I did not see this program, but I would like to remind the hon. member that it has always been understood that the government has nothing to do and should not interfere with the programming of the C.B.C. or of the private broadcasters.

Mr. Noble: As a supplementary question, to whom would the people of this country report and ask for some guidance as to who would take care of such programs?

Mr. Lamontagne: Mr. Speaker, I am quite sure the management of the C.B.C. will take note of the views of the hon. member.

PUBLIC SERVICE

APPLICATION OF STANDARDS LEGISLATION TO PREVAILING RATES EMPLOYEES

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I would like to direct a question to the Minister of Labour. Can the minister indicate whether changes in fair standards legislation being considered by his department will include changes affecting the so-called prevailing rate employees?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the proposals embodied in the Canada labour code will have effect both on the Fair Wages and Hours of Labour Act and upon the prevailing rate policy of the government. When it is possible to have second reading of this bill I shall indicate the matters under consideration with respect to both these other two matters.

[Mr. Herridge.]

THE CANADIAN ECONOMY

INQUIRY AS TO REPORT OF ECONOMIC COUNCIL

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to put a question to the Secretary of State.

In view of the interest shown in the work and research done by the Economic Council of Canada, could the minister tell the house and the people of Canada whether we can soon expect a report from that body?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I am sure the Economic Council of Canada will submit its annual report as required by law. Indeed, I shall be most happy to report to the house myself in that connection when my estimates are taken up.

[*Text*]

DOMINION-PROVINCIAL CONFERENCE

REQUEST FOR STATEMENT OF FEDERAL POSITION

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to address my question to the right hon. Prime Minister. As Premier Lesage has already announced, before the forthcoming federal-provincial meetings, the basic minimums acceptable to the province of Quebec, will the Prime Minister, on behalf of the federal government, announce before or during the forthcoming meetings with the provinces an outline of the federal government's position in the face of these minimum demands from the province of Quebec?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am not sure to what my hon. friend is referring when he talks about minimum demands, but I do know it is not wise to give your case publicity on the eve of an important negotiation.

Mr. Grafftey: A supplementary question, Mr. Speaker. At any of these meetings with the provinces will there be any definite proposals emanating from the federal government relating to the immediate improvement of permanent consultative machinery between Ottawa and the provinces?

Mr. Pearson: Mr. Speaker, as my hon. friend knows, this matter has been considered at

previous meetings in the course of the last year. It has been felt by most of the provinces that the present machinery is satisfactory, and that the institution of the federal committee in question dealing with federal-provincial relations has been working well and no further changes are necessary at this time.

INDIAN AFFAIRS

SUPREME COURT DECISION RESPECTING HUNTING AND FISHING RIGHTS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether I could ask the right hon. Prime Minister a question relating to the one which was posed to him on Wednesday last by the hon. member for Northwest Territories relating to the hunting, fishing and trapping rights of the Indian people and the royal proclamation in relation thereto. The Prime Minister indicated on Thursday, I believe it was, that he would be able to answer that question on Friday or Monday at the latest. Not having had a chance yesterday, I wonder whether he could answer it today.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think this question deals with the conviction of a man named Michael Sikyea, an Indian, for shooting a wild duck. It was a very interesting case; on one occasion in the case it was suggested the duck was probably not wild. I think the Prime Minister stated the other day in reply to this question that the judgment of the court will have to be reviewed, and that is the stand we take at the present time.

There is a wish on the part of the wildlife authorities to limit the destruction of game birds because of the efficiency of modern firearms. At the same time there is the law in respect of the rights of Indians under treaty. We are aware of these things, and until the judgment is studied I do not think we would care to make a further statement about the matter.

Mr. Howard: If I may suggest, Mr. Speaker, I think the minister is perhaps in error with regard to the purport of the question. It did not have to do with the shooting of a wild or any other kind of duck, but to a decision of Chief Justice McRuer of Ontario on May 30, 1963, upholding the royal proclamation of King George III. I inquired about this matter on May 31 and asked the Prime Minister then whether he would communicate the results of that court decision to all government agencies, provincial governments and the like, so that in their dealings with the native Indian people they could have their full interests at heart. The question of the hon. member for Northwest Territories was whether the Prime Minister had indicated to the various government departments and provincial governments the effect of that court decision, which he promised to do on May 31. That was also my question. What has the Prime Minister done to put into effect that which he promised he would do on May 31 of last year?

Mr. Laing: Mr. Speaker, I want to say that in our view there is a demarcation between game control under the migratory birds act and other wildlife on the ground. The law in relation to the treaty that we have with the United States in respect of migratory birds places that particular section of game in a different position than wildlife on the ground.

Mr. Howard: Why don't you answer the question?

PENITENTIARIES

PROPOSED LOCATION OF NEW WOMEN'S PRISON

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the parliamentary secretary to the Minister of Justice. In view of the interest in and the representations now being made in respect of the federal prison for women now located at Kingston, has the government reached any decision as yet with regard to whether it should remain where it is or should be moved to another location?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I shall be glad to bring this matter to the minister's attention when he returns.

DOMINION-PROVINCIAL RELATIONS

JURISDICTION RESPECTING OFFSHORE MINERAL RIGHTS

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, my question is addressed to the Minister of Northern Affairs and National Resources and concerns a statement which appeared in a Canadian Press dispatch of last week. I think in order to refresh the minister's

mind I will read part of what he said, which appears in the dispatch in quotation marks:

"If we can't come to an agreement next week, the federal government plans to go to the Supreme Court of Canada to ask for a decision".

The minister was referring at that time to the jurisdiction in respect of offshore mineral rights. My question is this. What are the plans of the federal government vis-à-vis the provinces on the question of mineral rights in these offshore mineral areas?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, we have had some discussions with the province of British Columbia, and it was agreed with their minister of mines that he would make a recommendation to his cabinet that a reference be taken to the Supreme Court of Canada for a decision. We on our part undertook to suggest a similar move to our cabinet. Now I believe the provinces have asked that the matter of offshore mineral rights be discussed at the conference beginning on Wednesday, and that will be done.

Mr. Hamilton: This is what concerns me, Mr. Speaker. The statement here is "If we can't come to an agreement". My question is, if the policy of the government is to take this matter to the supreme court, that is one thing. If they talk of agreement, they must have some concessions to offer in order to reach agreement. What are those concessions?

Mr. Laing: I would not like to say I was misquoted, but I did not say "If we can't come to an agreement".

INQUIRY AS TO EXTENSION OF ROADS TO RESOURCES PROGRAM

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the minister of northern affairs. Have negotiations been initiated by his department with provincial governments related to the roads to resources program which will result in an extension of that program, which is rapidly drawing to a conclusion in many of the provinces?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No, Mr. Speaker; but we have been in touch with the provinces asking them to review their position and advise us of their assessment of the program, and to tell us when it will be completed in their respective provinces.

Mr. Coates: A supplementary question, Mr. Speaker. Is any consideration being given to reinitiating this program for a further period of time?

Mr. Laing: Not in this form, Mr. Speaker.

NATIONAL PARKS

NOVA SCOTIA—TRANSFER OF LAND FOR SECOND PARK

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I wish to address a question to the Minister of Northern Affairs and National Resources. Inasmuch as preparation of the new national park in western Nova Scotia appears to be behind schedule, can the minister indicate whether the province of Nova Scotia has transferred the land involved to the federal government so that construction can be started? If not, can the minister say what is delaying the government of Nova Scotia in this matter?

Some hon. Members: Order paper.

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

Mr. Regan: Mr. Speaker, I would like to debate the matter at ten o'clock.

BUSINESS OF THE HOUSE

CONTINUATION OF DEBATE ON ESTIMATES OF DEPARTMENT OF JUSTICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Prime Minister in regard to the business of the house for this week. Could he assure the house that the undertaking given by the Minister of Justice with regard to a resumption of the debate on the minister's estimates will be carried out this Wednesday, as indicated by the Minister of Justice last Wednesday?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, irrespective of whether or not there was a formal undertaking with regard to this matter, I should point out that tomorrow the Minister of Justice will be attending a provincial conference on constitutional matters, and it will not be possible for him to be in the house.

Mr. Nielsen: He knew that.

Mr. Eldon M. Woolliams (Bow River): May I ask a supplementary question. Would the Prime Minister, then, advise the house when the estimates of the Department of Justice

will be brought before the house, if that undertaking cannot be kept?

Mr. Pearson: It will be announced in due course, Mr. Speaker.

ADMINISTRATION OF JUSTICE

SUGGESTED MEETING WITH JUDGES RESPECTING TREATMENT OF OFFENDERS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, in the absence of the Minister of Justice I should like to direct a question to his parliamentary secretary. Is the Minister of Justice considering convening a meeting of judges similar to the meeting of probation officers which he addressed, at which he would outline to the judges his ideas on the need for shorter sentences and more probation?

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

POSSIBLE ACTION RESPECTING ONTARIO SUPREME COURT JUDGE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to ask the Minister of Justice—in his absence perhaps his parliamentary secretary can take the question as notice—whether the federal government is considering taking any action under the Judges Act with respect to Mr. Justice Landreville.

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I will be glad to accept the hon. gentleman's suggestion and bring this question to the attention of the minister.

NATIONAL DEFENCE

IMPLEMENTATION OF RECOMMENDATIONS RESPECTING REORGANIZATION OF MILITIA

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Defence. Can he please advise the house whether the second portion of the Suttie report on the militia has been considered, whether a decision has been reached, and when does he anticipate making an announcement with regard to this matter?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, consideration of this matter has been taking place for some time, and I would hope that announcements could be made within a few days.

Mr. Churchill: Inside the house or outside?

Mr. Hellyer: Anywhere you like.

AIR TRANSPORT

INQUIRY AS TO NEGOTIATIONS BETWEEN AIR CANADA AND C.P.A.

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I should like to address my question to the Acting Minister of Transport and ask him whether the government is in a position now to report on the negotiations that have been carried on between Air Canada and Canadian Pacific Air Lines relative to international and domestic route sharing?

Mr. Speaker: I really do not see any pressing urgency for an immediate reply. Perhaps this is a question for the order paper.

Mr. Rhéaume: Then may I discuss this at ten o'clock.

REQUEST FOR DETAILS OF INQUIRY INTO T.C.A. CRASH

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Acting Minister of Transport. In view of my understanding that a release was given the press advising that a public hearing would be held in respect to the tragic Trans-Canada Air Lines crash near Montreal, can the Acting Minister of Transport give this house the details of the setting up of this inquiry?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, I will be very glad to take this question as notice and to bring in an answer later.

FISHERIES

PROPOSED CONSERVATION MEASURES FOR NORTH ATLANTIC AREA

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. In view of the reported statement by Dr. Herbert Graham, director of the United States bureau of commercial fisheries, that regulation of the size of fish nets for international trawlers will not serve as an adequate conservation measure in preserving north Atlantic stocks of fish, will the minister inform the house of the nature of any proposals which may be advanced for limiting our fishing efforts off our

offshore banks when the northeast Atlantic fisheries committee next meets in Halifax?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, this whole matter is being reviewed by the international convention of the north Atlantic fisheries, whose responsibility it is to recommend regulations applicable in that particular area.

Mr. Crouse: A supplementary question. Has any thought been given to proposing the adoption of closed seasons or quotas in certain periods of the year in some of the known heavy spawning areas, such as Georges bank, Browns bank and Sable island?

Mr. Robichaud: Not to my knowledge.

CANADIAN CENTENNIAL

TIME LIMIT FOR ACCEPTANCE OF PROJECTS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Secretary of State; I think he is the proper minister in this particular regard. Because the concluding date for the acceptance of centennial projects is rapidly drawing nigh—I believe it is November 9 but I am not certain of that—can the minister say whether there will be any extention of this time limit?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I should like to remind the hon. gentleman that that date has been fixed by the Ontario government.

TRANSPORTATION

NOVA SCOTIA—REPORTED INTENTION TO REDUCE SERVICE BETWEEN HALIFAX AND YARMOUTH

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I should like to direct a question to the Acting Minister of Transport concerning a very important and urgent matter. Will the minister make immediate representations to the board of transport commissioners against the proposed reduction in dayliner service on the Dominion and Atlantic Railway between Yarmouth and Halifax in view of growing public protest, including the protests of Acadia University students?

Mr. Speaker: Will the hon. member put this on the order paper.

[Mr. Crouse.]

CROP INSURANCE ACT

AMENDMENTS RESPECTING REINSURANCE PROGRAM

Hon. Harry W. Hays (Minister of Agriculture) moved the second reading of Bill No. C-129, to amend the Crop Insurance Act.

He said: Mr. Speaker, before I go into a detailed explanation of the government's reasons for bringing in these amendments to the crop insurance program I would like to make a few general comments about the purposes of this program. I would like to point out, for example, that this is part of the government's whole economic policy, a policy intended to strengthen the whole economy of Canada by strengthening its individual segments.

While this particular program applies directly to our agricultural economy, we believe that because of the importance of agriculture to our whole economy this will have the broader effect of adding further stability to the economy of the country as a whole. In other words, this is a program that will benefit the people in our cities indirectly, while giving direct help to our farmers. We believe that with the protection afforded by this legislation the provinces will be able to expand their crop insurance programs as quickly as they feel it is warranted. We hope this will encourage every province to participate eventually, because of the obvious advantage, in a Canada-wide program. By spreading the risks in any one year over wide areas and a variety of crops, good crops in one section of the country will offset the effect on the federal reinsurance fund of poor crops in other areas.

As I have already indicated, while the main purpose is to provide protection for our farmers, wide crop insurance coverage will provide a new economic buffer against the effects of wide variations in farm income on the economy of the country as a whole. Crop failure in one section of Canada has its initial economic impact in the immediate area of the crop failure. But we all know that a chain reaction sets in as well, a chain reaction that eventually spreads through the whole economy by reducing purchasing power and often affecting employment in other industries. It should be obvious that anything that can be done to level out the great variations in farm income, variations which are due to natural causes beyond human control, will have a beneficial effect on all parts of our economy.

I should like to point out another aspect of this program which we believe is of as much importance to the taxpayers in our cities as to our farmers. In fact, since there are so many more taxpayers in our cities these days than there are in the country, maybe this aspect of the program is of even greater importance to our city people than to our farmers.

I am referring to the fact that this is not a subsidy program. Like the farm credit programs which this government has either expanded or initiated at this session, this program is designed to give our farmers the kind of essential help they need while at the same time costing our taxpayers virtually nothing in the long run. This government is not afraid to provide subsidies where they are needed, but we believe that wherever assistance required by our people can be provided on a self sustaining basis this is the approach that should be taken. We believe that the role of government should be as an instrument through which our people cooperate to help each other improve their living standards, and we believe the program envisaged by this legislation supports that kind of government role.

As early as 1959, even before the first crop insurance agreement was signed, there were clear indications that the provinces were not satisfied with the original federal role in this program. The minister of agriculture for Manitoba, Hon. George Hutton, indicated that without some provision for federal reinsurance of provincial risks he could not see how his province could make crop insurance available to a large percentage of insurable farmers. Other provinces also indicated that despite the provision in the existing legislation for emergency federal loans they could not risk the tremendous impact which a disaster year might have on their over-all fiscal positions. Their big worry was that large loans from the federal government to cover crop insurance indemnities to farmers in a disaster year would have a bad effect on their borrowing powers for all other government purposes. They also pointed out that in times of widespread crop failure provincial revenues for all purposes were sharply reduced, making it that much harder to contend with the demands of heavy crop insurance payments.

From the beginning the provinces operating crop insurance programs have been careful to limit the amount of insurance sold in any year, either by applying their programs to limited areas or by placing a ceiling on the total liability to be accepted, so that in the event of heavy losses they would not be financially embarrassed. Crop insurance rates have been calculated on a basis considered actuarially sound, not only by provincial officials but by my department and the department of insurance.

I should also point out that these amendments will mean no change in premiums now paid by the farmers. The existing premium rate was set on a sound insurance basis; therefore the present premiums will provide provincial insurance funds with the capital necessary to pay reinsurance premiums to the federal government.

The provincial reinsurance premiums paid to the federal government will, over the long pull, equal what the federal government pays the provinces to help pay crop insurance indemnities in high loss years. Under the proposed amendments, provincial involvement in any year will be limited to about 25 per cent of the total amount of insurance in force in any year. As an example, suppose a province sells $10 million worth of insurance, and that premiums, including the federal contribution, are 10 per cent of the total liability, or $1 million. While federal reinsurance rates have not as yet been established, let us consider the rate in this case to be 2½ per cent of the total liability, or $250,000. The province pays the federal government a $250,000 premium for reinsurance coverage, leaving $750,000 in the provincial fund for the payments of indemnities.

Now let us suppose the worst possible thing happens; a complete failure occurs on all insured farms and $10 million has to be paid to the farmers. The province would pay out the $175,000 left in the provincial insurance fund first and assume responsibility for the deductible 2½ per cent of the total liability, or $250,000. This would leave $9 million in indemnities still to be paid, of which the federal government would pay 75 per cent, or $6,750,000, and the province 25 per cent, or $2,250,000. The total provincial involvement would be the 2½ per cent deductible of $250,000, plus $2,250,000 paid in indemnities or a total of $2,500,000 or 25 per cent of the face value of all policies of insurance.

This is the maximum possible involvement of the province, assuming that every insured farmer has a complete crop failure. However, even in the prairie provinces where, because of peculiar and extreme climatic conditions, a great variation of year to year yields is experienced, there has only been one year,

1937, when provincial average yields fell below 30 per cent of long term average yields. As insurance coverage is limited to 60 per cent of long term average yields, it can be reasonably assumed that indemnities will never exceed one half of the total liabilities, and provincial involvement never more than 12½ per cent of such liabilities.

The legislation permits provinces to protect themselves even further, if they want to. The legislation provides that a province may, if it so desires, reinsure its remaining 25 per cent involvement with agencies other than the federal government, and that these additional reinsurance premiums, provided they are approved by the federal government, may be paid from provincial crop insurance funds; that is, from premiums paid to the province by the insured farmers.

As I said earlier, we intend this in the long run to be a self supporting program, but to be honest it is hard to say at this early stage just what it might cost the federal government in any given year. However, as I have indicated, the federal reinsurance premiums will be most carefully calculated on a sound insurance basis. The legislation provides that the reinsurance premiums may be adjusted upward or downward if experience indicates such action to be necessary, and the premiums will be designed to equal, over a period of years, the amount of payments made to any province under a reinsurance agreement.

All our expectations in this, of course, as in all other agricultural programs, depend very greatly on the weather. Obviously if we have a lot of crop failures early in the scheme federal payments will exceed federal income from premiums. But if enough provinces enter the scheme and the weather is kind during the first few years, income from premiums will exceed insurance payments.

For an example we can consider what could happen in Manitoba if the crop experience of the last 35 years were to be repeated in the next 35 years. If disaster years like those experienced in the 1930's came early in the program, a $25 million insurance program in Manitoba could cost the federal government $400,000 a year in carrying charges for the interest free advances which would have to be made to the crop reinsurance fund from consolidated federal revenues. On the other hand, if the good crop experience of the 1940's in Manitoba should be repeated before disaster years like those of the 1930's, then the federal government would gain more than $100,000 a year in interest on credit balances in the reinsurance fund. And if the entire weather and crop experience of Manitoba over the past 35 years were to be reversed in the next 35 years, the federal government would have a revenue of $350,000 a year from these credit balances. I think this example should show how hard it is to estimate the probable cost of this program in its early stages, but let me repeat that over the long haul we expect it to be self supporting.

Aside from requests for reinsurance, there has been very little provincial criticism of the present act. The question of the level of coverage provided by the Crop Insurance Act is not before us today because these amendments have no reference to that aspect of the program. However, there have been some suggestions that the 60 per cent coverage provided by the act is not high enough for certain crops. In this connection I should explain that the policy governing the amount of coverage provided is that we want to guarantee production costs only, and no attempt is to be made to cover the profit portion of crop returns by crop insurance.

We are quite prepared to consider any concrete proposals from the provinces for higher coverage of certain crops, provided of course that such proposals are in line with this policy. I should point out that the federal government has no authority to initiate any crop insurance program in any province. The right to help our farmers in this way is the privilege of the provinces. But we are confident that with these amendments the federal reinsurance program will be in a position to fit into any crop insurance program any province cares to develop for its farmers.

If experience should prove this assumption wrong, or if a need to raise the level of coverage should develop in the future, I will be prepared to recommend to this house whatever further amendments are necessary.

During the resolution stage of this debate certain hon. members argued that these amendments are a threat to the P.F.A.A. They saw this threat in the provision that grain growers, whose lands are insured under this program, may be entitled to a rebate of their P.F.A.A. deductions. I reject these arguments as completely unfounded. In the first place, if they were true of these amendments then they would also be true of the original act passed in 1959 with the support of all members of this house.

The provision exempting farmers who insure their crops from the P.F.A.A. levy was included in the original Crop Insurance Act,

and the provisions in these amendments are only intended to give that exemption a more rational application. Section 9 of the Crop Insurance Act, passed in 1959, provides that the cultivated land of a farmer is not eligible for P.F.A.A. payments if the crops on any part of his land are insured. It also provides that the initial payment made when he delivers his grain to the elevator should be exempt from the 1 per cent P.F.A.A. levy. However, apparently because the previous government was unable to solve the administrative problems involved, the original legislation did not exempt any interim payments or the final payment from the Canadian wheat board from the P.F.A.A. levy. We believe we have now worked out those problems of administration, and that is why we now propose to extend the exemptions as we believe they should have been extended in the first place.

Farmers who insured their crops in Manitoba and Saskatchewan have been provided at the beginning of each crop year with cards issued by the crop insurance agencies. When presented to elevator agents, at the time of delivery of their grain, these cards exempted them from payment of the P.F.A.A. levy on the initial payment received at the elevator. These exemption cards were good only for the current crop year, and if a farmer dropped out of a crop insurance in any subsequent year he again became eligible for P.F.A.A. benefits and subject to the levy.

When the Crop Insurance Act was before the house in 1959 the then minister of agriculture, the hon. member for Calgary North, is reported at page 5231 of *Hansard* of June 29, 1959 as having said:

> The hon. member for Kenora-Rainy River also asked why the Prairie Farm Assistance Act should be ruled out. If a man has his crop insured under this scheme he will be getting a considerable return if he loses his crop and therefore he does not need P.F.A.A. payments. Hon. members must bear in mind that P.F.A.A payments are a form of drought relief. This has been extended to loss of crops from other causes but it is not an insurance scheme. It is essentially a relief scheme.

He went on:

> If a farmer receives payment under the crop insurance scheme to which the dominion government has made a very considerable contribution there seems to be no good reason why he should also receive a form of relief under P.F.A.A. to which the federal government also makes a substantial contribution.

That is what the minister said in 1959 when piloting the act through the house, and certainly there was no indication then that he was trying to do away with P.F.A.A.

However, Mr. Speaker, the provinces of Manitoba and Saskatchewan have contended that we should exempt insured farmers from payment of the levy on interim and final payments as well as on the initial payments. They told us they found it difficult to sell insurance to some farmers because insured farmers still pay the levy on part of their returns from grain but could not benefit from P.F.A.A. in the event of crop loss. Under section 4 of this bill we are meeting the request of the provinces by providing that insured farmers will receive a rebate of any levy paid from time to time by way of deductions from interim and final payments.

In all fairness to the previous government, I think the minister had in mind exempting all the insured farmers' grain payments from the levy. In fact at one stage of the debate on the original bill he said:

> At the same time, the farmer who comes in under the crop insurance scheme will not be required to pay the 1 per cent levy for Prairie Farm Assistance Act payments. In other words, he will neither pay into the prairie farm assistance fund nor will he be eligible to take money out.

However, I understand some difficulties were experienced because the P.F.A.A. levy on interim and final payments made by the wheat board is deducted from the net total amount of the pool before arriving at the price per bushel to be paid to farmers, and is not calculated individually for each farmer as is the case when the initial payment is made at the elevator. For this reason wheat board officials indicated it would be difficult to make adjustments for insured farmers when they were attempting to issue thousands of cheques with the least possible delay. As a result the original act when presented to the house only provided for exemption from the levy on initial payments.

We propose now to rebate to insured farmers at the end of each crop year the total amount of any levy which it is calculated was paid by each insured farmer on amounts received from time to time through the crop year from the wheat board. We propose that the wheat board, with the farmers' consent, will advise us at the end of each crop year of the total amount paid to each insured farmer. We will then calculate the amount of levy paid and refund this to the farmers concerned. The Prairie Farm Assistance Act at present only permits payment of awards to farmers to be made from the prairie farm emergency fund. This amendment will permit the rebates to insured farmers also to be made from the fund.

I want to make it quite clear, Mr. Speaker, that any province establishing an area in which crop insurance is to be sold does not mean that all farmers in the area are denied P.F.A.A. Only insured farmers will be out of P.F.A.A. The others will still continue to pay the levy and be eligible for P.F.A.A. benefits as they have been in the past.

I would further point out that crop insurance will in no way affect the method of determining the eligibility of an area for P.F.A.A. payments. Even in an area where some farmers are insured, if P.F.A.A. payments are to be made to other farmers in that area the crop yields of the insured farmers will continue to be included in the calculation on which the P.F.A.A. payments are made. Yields from all farms, those insured as well as those not insured, will determine the average yield for the area just as is done at present under the Prairie Farm Assistance Act.

We believe this program will give our farmers a choice they have every right to enjoy. The farmers themselves can decide under which program they want to operate, the P.F.A.A. or crop insurance.

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, having looked at the amendment to the Crop Insurance Act proposed by the minister I should like to say it meets the minimum requirement asked for by the province of Manitoba in particular, to afford some degree of protection against the possibility of substantial crop losses in any one given year. The success of the measure, of course, will depend largely on the type of agreement that will be entered into between the federal government and the provincial government in question. Since the actual amounts involved are not contained in the provisions of the bill, other than in broad outline, we will have to wait and see what type of agreement will be arrived at before we can determine the full effect of the proposed amendment.

However, this is not to say that we are not in favour of the amendment now before us. As I said at the resolution stage preceding the bill, I am looking forward to its implementation; because in my own province of Manitoba, where crop insurance has been in effect for several years, we have gained sufficient experience in the implementation of the crop insurance program to convince us that the program will and can be successful in insuring farmers against crop losses in any given year.

I am happy to see that Hon. George Hutton, who is largely responsible for the introduction of this measure in the province of Manitoba, is sitting in the gallery this afternoon, and I am sure he must be very happy that this bill is before the house. In the test areas that have been set up the province of Manitoba has been successful in covering about 35 per cent of the crops, and with the passage of this amendment the province will now be able to proceed further and within a period of two or three years should have the entire province covered, resulting in a total liability of something like $40 million. This is a considerable amount of money that is involved, and hon. members will appreciate the need for some assurance that in the event of a total crop loss the burden of responsibility will not fall entirely on the shoulders of the provincial government.

However, in saying that I feel quite certain we can take an attitude of optimism in predicting crop yields on the prairies in particular in the next number of years. As I said at the resolution stage, I feel that using P.F.A.A. records of crop yields in the past 35 years does not provide a useful guide. It is a very pessimistic approach to the crop yields that we can anticipate in the future because of the many advances that have been made in crop production techniques through the use of herbicides, pesticides, fertilizers and so on. It seems to me that in considering the application of this particular amendment we can take into consideration these factors which have affected crop yields.

I am glad to see that the minister is prepared to continue to look at the crop insurance program with a view to introducing further amendments if they are necessary in the light of experience gained. In the province of Manitoba a considerable amount of experience has been gained in the implementation of crop insurance. The Manitoba government has proceeded apace with the training of inspectors, field staff and administrative officers. I think one can appreciate the difficulty that is involved and the amount of time that is consumed in attempting to develop the type of organization that can effectively administer and carry out a crop insurance program. For example, I would mention the calculation of loss and the payment of indemnities. The suggested program did meet the requirements of the majority of the farmers within a province in the past.

During the debate on the resolution I was distressed to hear some of the comments made by members of the Social Credit party and

the New Democratic party intimating that the crop insurance program has not proven successful. I want to assure them that in the province of Manitoba the program has proven successful. When you take into consideration the administrative responsibilities, the task that is involved in training people to carry out a program, I think it is a credit to the province that they have been able to develop a program to the stage it is today.

There was some suggestion that the Prairie Farm Assistance Act should be amended so it could cover farmers on an individual basis. I hesitate to suggest that this could possibly have been done because, as the minister has pointed out, the Prairie Farm Assistance Act was based on the principle of relief. It is difficult if not impossible to change a program that has as its basis the concept of relief, into one that is an actuarially sound group insurance program such as this is. This legislation is available also—and I should like to point this out to the members of the Social Credit party who have been complaining about this particular piece of legislation being applicable only to the western provinces—to any province within Canada that is willing to take advantage of it. I see no reason in the world why the farmers in those province which are not now covered by crop insurance cannot make representations to their governments to have this measure made applicable to their provinces so they may receive the benefits therefrom.

There was some suggestion also that the Prairie Farm Assistance Act should not be discontinued. I am sure most farmers will realize that under this measure it is not being discontinued. As a matter of fact they have the best of two worlds. They are able to insure themselves under the crop insurance program and, at the same time, if they do not choose to become involved in the crop insurance scheme they are able to take advantage of what little assistance is available to them under the Prairie Farm Assistance Act. It is interesting to note that in some of the better crop areas in Manitoba the amount of money paid into the Prairie Farm Assistance Act by some farmers would cover a crop insurance program, and the benefits to be derived thereunder would be much greater. Instead of the $800 that is available under the Prairie Farm Assistance Act there would be a greatly increased amount available under the crop insurance program.

As the minister indicated, the intention under this legislation is to provide for reinsurance so the provinces will not bear the brunt of responsibility for this program in the event of a severe crop loss. This responsibility will be shared by the federal government. On this basis we support the legislation and look for its early passage.

Mr. Arnold Peters (Timiskaming): I was not really sure what the attitude of the New Democratic party was, and perhaps this is true of members of the Social Credit party, until the hon. member for Provencher told us. This may or may not be the attitude of the New Democratic party, but I would advise the minister to be very careful of his assessment of the information supplied him by the establishment, because he will never have a better spokesman for the establishment than the hon. member who has just spoken. Perhaps this is something the minister should keep in mind.

This bill, Mr. Speaker, is not going to apply to a great section of agriculture. It is discriminatory, like some other legislation, in that it will apply mainly to the large producers of a specific product. I believe the former government knew this, and I think the present government knows that this is a restriction in connection with this legislation. It will be applicable to a very small segment of agriculture. I should like to ask the minister, when he replies, to tell me the number of farmers to whom this crop insurance program applies now, and how much money will be represented by this provision relating to 75 per cent reinsurance.

I had an opportunity of meeting with a number of farmers and the minister of agriculture for Ontario in my own area last fall when we discussed the problem of crop insurance in northern Ontario. After the pros and cons had been discussed, it was interesting to note that it was felt impossible to apply crop insurance to the area because the farmers grew four or five different crops. If you are unsuccessful with your hay crop you will likely get a bumper grain crop. If you insure the potato crop the potatoes will probably turn out very well but you will lose some of your other root crops. It is very difficult, under those conditions to apply this type of legislation; and these conditions exist in most agricultural areas in Ontario.

Surely the minister was aware of this problem. He must have known that less than 10,000 farmers in Canada are insured under the federal crop insurance program, and that this crop insurance program was a failure. He must have known that there were many complaints by the provinces that changes

should be made in the enabling legislation which has to be passed by the federal government. It is true that jurisdiction in connection with most of our resources, including agriculture, falls within the provincial field. The fact that only the prairie provinces and Prince Edward Island were able to take advantage of it means, of course, that Quebec and Ontario, which have a large agricultural potential, were not able to insure under this type of act. This measure was not designed to meet the needs of these people.

This bill, Mr. Speaker, is not going to do anything to correct that situation. It is not going to provide the machinery by which Quebec and Ontario will be able to take advantage of a federal crop insurance program. The establishment should be able to tell the minister this. They should be able to point out some of the things that are wrong with this measure. I think it is actually unfair that we should be passing legislation which we know is limited in its application to a small segment of the economy we are trying to assist.

I know there have been many who have said the Prairie Farm Assistance Act should be broadened to take care of this problem. Since I do not come from western Canada, I can see no reason why this was not done under the Prairie Farm Assistance Act on an individual farm basis. I am not saying that I have any knowledge of it, but I imagine many western farmers would be able to suggest how this could have been done under P.F.A.A. If it had been, the cost would have been greatly reduced, particularly in the field of administration.

There is nothing wrong, Mr. Speaker, in having a reinsurance program which applies to 75 per cent of the annual amount received from farmers subscribing to the insurance program. The difficulty lies in the fact that there are very few farmers who will be able to take advantage of it. I do not believe that we should have legislation as discriminatory as this on the statute books; and to allow the government a reinsurance program which has not been needed, which does not appear to be needed at present, and will only be needed if there is a disaster—and many hon. members have said this is not likely—is discriminating against all other farmers making this type of payment.

If this is the kind of solution the minister devises to bolster up an act which was not good in the first place, then I suggest he do some more serious thinking and have his officials decide what was wrong with the experiment we tried. The former minister who introduced the act was of the opinion that it was experimental and that changes would be required in it. He said it was something which had not been tried previously and until it had been in operation for some time it would be difficult to decide what amendments were necessary.

Farmers are going to laugh at the Department of Agriculture when it gives this type of assistance. In northern Ontario, when this meeting was held by the provincial government to decide what the farmers wanted, without exception the farmers said this legislation was of absolutely no value to them because the premiums of any commodity would be much higher than they could afford to pay. They said "We don't oppose this type of legislation. We are quite happy to have it provided for other parts of Ontario which might get some advantage from it." They said "We do not want to hold up a crop insurance program, but under the plan outlined by the federal government we will not be able to take advantage of it." I share those sentiments.

All hon. members were of opinion that if the crop insurance scheme which was instituted several years ago had to cope with a crop disaster of such size that the fund would be depleted, the federal government would make a grant of money in order to see the program was not destroyed. I suggest there is a great deal of window dressing in the bill we are discussing today. It is discriminatory. It will apply to very few farmers, and I may say I am shocked at the number of discriminatory plans this government has produced, plans that apply to very few farmers but which seemingly represent the answer of the government to the agricultural problems of the nation from coast to coast.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, from the explanations which have been given to us by the minister respecting this reinsurance scheme it becomes all the more obvious that it is simply a measure to try to encourage provincial governments to expand their crop insurance schemes. During the course of the debate on the resolution stage many hon. members said that there seems to be a gap in the evolving of a crop insurance scheme that would be workable and acceptable to farmers all over Canada. As has been pointed out, only three provinces have experimented with crop insurance schemes, and this on a very limited scale.

I shall not repeat the debate we already had, because one or two further explanations which the minister gave this afternoon have set our minds at ease in some respects. He has said that this legislation, particularly that part of it which deals with the P.F.A.A. levy, will not in any way spur the withdrawal of P.F.A.A. from certain areas where it is now applicable. We understand, of course, that it does not provide for reimbursement of the levy to those farmers who are on insured land, particularly with respect to subsequent payments for grain. We realize the 1 per cent levy has already been exempted from their interim payments, and further than that I do not believe there is much more can be said at this time.

I hope all members of the house realize that until a workable program is evolved, based on the experiences the provinces have had, we will not reach the stage of having a comprehensive crop insurance scheme for farmers all over Canada. We shall need more experience from the expansion of the pilot projects already in effect. Even though only three provinces have made crop insurance available to some of their farmers on a limited scale, all the provinces have had the opportunity to set up pilot projects, with assistance from the federal government. I am not critical of the provinces for being timid or reluctant to go ahead with wide ranging schemes, because the risks, and the amount of money involved to meet those risks, would be beyond their resources in certain disaster years.

This bill will encourage the provinces to expand their schemes to some extent, and I hope with the experience gained in doing so it will not be too long before we have a comprehensive crop insurance scheme that will satisfy farmers all over the country.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I merely wish to make a few comments on Bill No. C-129, which has just been brought before us.

I see that the purpose of the bill is to authorize the establishment of a crop reinsurance plan whereby those provinces operating a crop insurance plan may, if they so desire, reinsure part of their risks.

I merely want to point out to the house that if that reinsurance applies mostly to those few provinces already taking part in the crop insurance scheme, then I do not think the bill is worth much, if anything, to the province of Quebec, for its minister of agriculture himself did not see fit to take part in the previous crop reinsurance plan, probably because the conditions set by the central government did not suit him. As regards the purpose the central government had in mind, and the same thing applies to several joint programs, it did not consult the provinces sufficiently or did not even consult them at all, since I find that only three of them availed themselves of this crop insurance.

In my opinion, it would have been advisable for this government to present a crop reinsurance plan more consistent with the needs of the whole province—if it is so intent in establishing joint plans—since it was asked to do away with this particular plan among several others. If we had wanted to keep on taking part in joint plans, it would have been necessary to request a report from every province to know at least the opinion of every provincial department of agriculture, in order to have uniformity of implementation, and therefore all the provinces would have probably been interested in these programs.

Looking at the report on joint programs for 1962, I wonder why the province of Quebec has never been interested in the crop insurance program.

I have gone through the list of products insured under this bill and I see that many Quebec products, such as maple sugar and other specific products have been left out. That is probably the reason why Quebec does not seem interested. This scheme has probably been thought out by people from the west who may be fine administrators but who always think of their own interests first.

As I said a moment ago, if the provinces had been consulted, perhaps Quebec would have suggested amendments which would have made the former crop insurance program more interesting for the province.

It is often said that the province of Quebec does not get its fair share. Once again, it can be seen in this bill, because if we figure out the benefits, we come out to zero because it is the same report as in 1962.

I think that at this stage of the discussion of this bill, we should look for some formula which would be acceptable to the province of Quebec while protecting the situation of the other provinces and even improving it. But the needs of agriculture in Quebec should not be overlooked. Our farmers could get assistance when all kinds of disasters hit the province of Quebec. Once their sowing is done, the farmers confide in divine Providence, but they still have to put up with the

poor weather conditions without any protection from provincial or federal government bodies.

We are more or less interested in Bill C-129. In its present form it would certainly be of no interest to the department of agriculture of the province of Quebec because it is said in black and white that this bill is of particular benefit to the provinces where the old crop insurance plan is in force.

Honestly, I wonder why the government asks us to discuss such a bill when they know very well that only three provinces received any benefit from this crop insurance scheme. As regards claims made by the province of Quebec when disaster strikes its crops, I think our province would have more regard for the federal government if it had an opportunity to put forward opinions and to propose conditions of participation in those schemes.

I should like to suggest to the present Minister of Agriculture that he should reconsider his bill, with a view to asking each province to submit a report on the possibilities of adopting a national program, if a type of national crop insurance is really to be established to protect the crops of all farmers. In my opinion, the Minister of Agriculture stands to lose nothing by asking the various departments of agriculture to submit a report, so that we, in parliament, may draw up an over-all program, instead of setting up a project which interests only a small number of provinces.

[*Text*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, the discussion on these amendments so far has really not been on them to any extent but on the merits or otherwise of the Crop Insurance Act to which these amendments apply. I think all of us interested in agriculture have been disappointed that greater advantage has not been taken of the Crop Insurance Act than has been the case. We have had complaints from two of the members who have spoken that there are only three provinces which have taken advantage of the act. It was understood at the time, and the minister has again pointed this out this afternoon, that any system of crop insurance must of necessity be run by the province because it comes within provincial jurisdiction. This federal Crop Insurance Act was put on the statute books for the specific purpose of encouraging the provinces, and providing help to any province that wished to do so, to set up a crop insurance act.

[Mr. Gauthier.]

There had been for many years a demand on the part of farmers all over Canada for some type of crop insurance, and none of the provinces had been prepared to meet that need because of the possible large losses involved. Therefore we thought the only way it was possible to get a crop insurance scheme instituted in each of the provinces was to provide some form of federal assistance by which the federal government would provide part of the cost of such a scheme, and would provide the framework of a scheme into which the provinces could fit any individual scheme which would apply in their own province. This was done because it was realized—quite contrary to what the last speaker has just said—that the agricultural conditions in the different provinces of Canada differed very widely indeed, and that a crop insurance scheme which would be satisfactory in Alberta, for example, would not be satisfactory in Quebec, and vice versa.

Therefore the scheme was drawn up very carefully so that it would be possible for each province to draw up a scheme of their own which would fit into the general provisions of the federal crop insurance scheme. Therefore, Mr. Speaker, statements along the line that have been made, that this crop insurance legislation is discriminatory, that it will only apply in certain provinces, that it will only apply to large farmers and not to small farmers, are not in accordance with the fact. The crop insurance scheme can be made to apply, if any particular province wants to do so, to any crop which is grown in that province, and the size of a man's farm is not the determining factor. It was hoped, as a matter of fact, when the scheme was introduced that a good many of the farmers in Quebec and Ontario growing specialty crops of various sorts—potatoes, apples, wheat, and so on—would come in under this scheme or that the provinces would set up schemes which would make it possible for them to participate.

I think there are two reasons in particular why the scheme has not been adopted more widely than it has. One is the fact that any new scheme takes a considerable amount of time to get into operation, for people to become accustomed to and willing to participate in. Particularly is this the case as far as agricultural plans of one kind and another are concerned. The second is that in all the provinces there was a considerable amount of fear that the provincial revenues might be very seriously and adversely affected if a widespread crop insurance scheme were

put into operation and a very disastrous crop year occurred in the first two, three, four or five years. The scheme was drawn up in a way which would make it actuarially sound over a long period of years, say 30 years, and I think everyone who has examined it is agreed that the scheme would carry itself. However, the provinces were naturally afraid that if they put it into operation and they had a bad year right off the bat they would incur large losses which would make their whole provincial financing difficult. The reinsurance provisions which are before us at the present time are designed to remove that fear in large measure, and I hope that the passage of this legislation will induce some of the provinces which have not gone into a crop insurance scheme so far to do so, and will encourage others who have to expand their operations considerably.

There is only one point I am wondering about in connection with the reinsurance provisions and that is the amount to which this legislation will increase the premiums which farmers will be required to pay. I have not yet heard anything which has made clear what that will be. There is no doubt that there will be some increased cost to the farmer in order to cover reinsurance on the part of the provincial government with the dominion government; I think the minister said there would be a premium of 2½ per cent. However, I hope as I say that the increased cost involved will be very small, because undoubtedly just as with all insurance one of the reasons people hesitate to insure is frequently the cost involved. A large number of people in farming operations find this is true as far as hail insurance is concerned. Most of the farmers in areas subjected to hail have carried it for many years, but in areas not subjected fairly regularly to hail a large proportion of the farmers do not carry hail insurance, but take the gamble. The higher premium is of course a temptation to do that, and that is one of the ways these amendments might work against themselves if it means the cost will be increased to any appreciable extent.

As I say, Mr. Speaker, I am glad to see these reinsurance amendments provided and I trust they will produce the result it is hoped —a larger crop insurance coverage for farmers across Canada generally.

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

On clause 1—*Agreements.*

Mr. Hamilton: Mr. Chairman, my remarks on clause 1 will be brief and to the point. I think the minister should be congratulated and I hope that he will carry the congratulations of the official opposition to his officials for the drafting of this legislation. It is understandable and it is clear. There is no necessity for us to ask that it go to committee and I think the experience of the officials concerned in this particular instance is well demonstrated in the bill.

The second point I wish to make is that so far as the general principle of crop insurance and these amendments are concerned, I regret very much that the previous administration was not able to complete its plans and bring this legislation before the parliament of 1962-63; but I am glad to say we welcome the legislation. I would add my words to those of the hon. member for Calgary North and the minister in saying that this is good legislation. It is designed to help the farmer who wants to put his farming operations on a business basis. Naturally, in the early years few farmers would want to use it; but as more and more become aware of its advantages more and more farmers will use it.

I think these amendments may make it possible in western Canada and the provinces of Manitoba and Saskatchewan in particular, for something between 50 to 70 per cent of the farmers to embark on this type of operation in the handling of their farming business. I hope the province of Alberta will realize there is some merit in this legislation and give the farmers there the opportunity of saying yes or no to it. It is not the job of the provincial government to decide what is good for the farmer individually. This legislation is aimed at the individual, and if the provincial government give the farmers the opportunity to use it it is up to the farmer as an individual to decide whether or not it is to his advantage to use it.

I hope that other provinces, including British Columbia with its fruits and small vegetables, will consider arranging plans to make this act help the farmers there who wish to take advantage of it; and I hope that the provinces of Ontario and Quebec may look even harder at their specialized and diversified farmers to see whether they too cannot find some protection under this act. In the maritime provinces, the province of Prince Edward Island is now using the legislation, and has shown aggressiveness in using it to help stabilize the incomes of their

farmers; I think the farmers in the potato industry recognize this now.

Therefore I would complete my remarks by saying that we have been over the legislation; we think it is well drafted; and outside of a few questions I think we can take the clauses of the bill fairly rapidly. I know they are hard to understand at first reading but after the explanation of the minister they make sense, and I thank the minister for his clear explanation on second reading, which has made it much easier for us in examining the bill at the committee stage.

Mr. Herridge: Mr. Chairman, I have just a couple of questions to ask the minister. The first one arises from the remarks made by the hon. member for Roberval in which he criticized the bill in so far as it did not provide for the other provinces. The explanatory notes to the bill read as follows:

> The purpose of this bill is to authorize the establishment of a crop reinsurance plan whereby those provinces operating a crop insurance plan may, if they so desire, reinsure part of their risks under such plan.

My first question, Mr. Chairman, is this: In view of the remarks made by the hon. member for Roberval, would the minister inform the committee whether this bill covers any province which later establishes a crop insurance plan? My second question is: Can he give the committee any information as to the number of farmers who have crop insurance in each province which is now operating a crop insurance plan?

Mr. Hays: Mr. Chairman, Nova Scotia has enabling legislation. Prince Edward Island is using the act; also Manitoba and Saskatchewan; and I believe Alberta has just recently passed enabling legislation. There are some 8,600 farmers in Canada who have taken advantage of this legislation and the total value of crops insured amounted to $18 million. So far as other provinces are concerned, earlier this year a conference was held with representatives of the provinces, including Quebec, to discuss all aspects of crop insurance, and in particular any changes which might be made to improve the federal role in this program. No concrete crop insurance proposals have been received from the province of Quebec. The representatives attending that meeting indicated that the province is studying the development of a program which would meet the particular needs of the farmers in Quebec. We will be pleased, of course, to give immediate consideration to any provincial proposals placed before us. Perhaps that answers the question raised by the hon. member for Roberval.

[Mr. Hamilton.]

Mr. Herridge: Mr. Chairman, I thank the minister for his answer. Do I understand correctly from that answer, that if you reach agreement with any province in respect of crop insurance plans it will be covered by this act?

Mr. Hays: That is so. We have discussed this with the officials of all the provincial departments of agriculture in Canada, who had rough drafts of what we are now proposing. We invited their interest and suggestions in so far as drafting this legislation was concerned.

I do not think I would be saying something out of school if I indicated that the minister of agriculture for the province of Manitoba is here this afternoon and has sent me a note saying that it was a pleasure to be here during my speech on this bill. He pointed out that crop insurance is the cornerstone of Manitoba agricultural policy, and that he would have to wait until his experts had studied this bill. He felt, however, that we had given to Manitoba exactly what they were asking for.

Mr. Mandziuk: Mr. Chairman, I should like to clarify one point before concurring in the complimentary remarks made by the hon. member for Roberval. As I understand the amendment to the act in respect of reinsurance, there will be a premium paid by the province. What will the rate be in this regard, and will it be subject to negotiations with each province?

Mr. Hays: I did not quite understand the first part of the hon. member's question. Would you repeat it please?

Mr. Mandziuk: What will be the premium payable by the provinces in respect of this reinsurance scheme?

Mr. Hays: It will be difficult to determine just exactly what the rate will be. I suppose over the long haul only experience will indicate the proper amount. In the statement I made during the second reading stage I used a figure of 2½ per cent as an example, but I suppose it will be something less than that.

Mr. Mandziuk: Was the figure of 2½ per cent arrived at by negotiation?

Mr. Hays: No, I just used that figure as an example.

Mr. Mandziuk: In other words, the rate could vary upwards or downwards from 2½ per cent?

Mr. Hays: That is right.

Mr. Mandziuk: The success of this arrangement then is dependant upon agreements being reached between the province and the government, is that right?

Mr. Hays: That is correct. I could go back over that part of my statement, if you wish.

Mr. Mandziuk: That will not be necessary, Mr. Chairman. I remember the statement made by the minister. I presume the rate would have to be set at the beginning of each crop year, and that it could not be set during or after harvest at a time when the amount of losses or claims would be known, is that right? Or are you going to follow some other method of setting the rate?

Mr. Hays: It is very difficult to indicate exactly what the cost will be. I am unable to give the hon. member an accurate answer in that regard. I must say that the rate will be set as a result of experience. At this time I do not know exactly what the amount will be, although I used the 2½ per cent figure in my example.

Mr. Hamilton: Mr. Chairman, I think it is customary, during our consideration of a bill clause by clause, for the minister to have his officials in front of him in order that they may give the technical information required to answer the type of question that is being asked. Those officials should be asked to come down.

Mr. Baldwin: Mr. Chairman, perhaps I could put this to the minister. As I understand the situation, there is not going to be a standard agreement, but an agreement with each province which decides to come under the scheme, is that right? The agreements may be basically the same, but they will vary by reason of the conditions which prevail in each province, as a result of the different types of agricultural activity engaged in by the provinces. The agreements will be tailored to fit the requirements of the different provinces, is that correct?

Mr. Hays: That is correct. The agreements will of course have to be determined on an actuarial basis.

Mr. Baldwin: I assume the premiums are subject to change, so the agreements may well be changed year by year on an actuarial basis, computed on the actual experience year by year. There will be trials and errors and the premiums may be changed from one year to the next, am I correct in that assumption?

Mr. Hays: The premiums would have to be established on an actuarial basis, so what you have said does follow.

Mr. Jorgenson: Mr. Chairman, why was the figure of 2½ per cent contained in the bill if there was no intention of actually using that figure?

Mr. Hays: To which clause are you referring?

Mr. Hamilton: The figure is referred to in 4B (1) (c).

The Chairman: Order. I should like to remind hon. members of the fact that we are now considering clause 1. Perhaps the point raised by the hon. member for Provencher might be raised when we are considering clause 2.

[*Translation*]

Mr. Vincent: Mr. Chairman, as the Minister of Agriculture (Mr. Hays) has had the opportunity, since last February, to get in touch with the provincial authorities regarding the amendment to the Crop Insurance Act, is he now in a position to tell us how many provinces, apart from those which are already subscribing to it, will take part in the federal program a year from now? Has the minister had any indications and can he supply us with information on the matter?

Mr. Chairman, hon. members are aware of the fact that the Crop Insurance Act will have to be proclaimed by the provincial authorities, and that the federal government is providing the provinces with the possibility of setting up their own crop insurance plans under the proposed amendment. But what we would like to know, so that we can tell our farmers, is whether the minister is now in a position to tell us how many provinces are likely to be taking part in the crop insurance program within a year.

[*Text*]

Mr. Hays: It would be very difficult for me to say at this point, although some indication has been given in respect of three, and two have passed enabling legislation. The hon. member for Calgary North pointed out that fact, and we are quite prepared to consider any suggestion the provinces make in so far as this legislation is concerned. Your question is rather difficult to answer. We hope that more of them will participate.

[*Translation*]

Mr. Vincent: So, Mr. Chairman, we may say that before long at least five Canadian provinces will participate in that crop insurance program.

Have the other provinces, however, Quebec included—and I am told that Quebec does not intend to participate immediately, even if the proposed amendment is carried—asked for other amendments or requested from the Minister of Agriculture or from the federal government additional assistance so as to be able to participate in that program, or have they preferred to maintain the status quo and do nothing in that connection?

[*Text*]

Mr. Hays: So far as Quebec is concerned, their representative at the meeting indicated that the province is studying the development of a program. I dealt with the second question in speaking on second reading. The only question that was raised was the 60 per cent level of assistance, which I dealt with at some length in the remarks I made on second reading.

[*Translation*]

Mr. Vincent: Mr. Chairman, can the minister tell us if the province of Quebec, which is now considering the possibility of establishing its own crop insurance program, intends to participate in the federal-provincial program or if it prefers to receive a fiscal compensation and establish its own scheme?

[*Text*]

Mr. Hays: I could not answer that.

Clause agreed to.

On clause 2—*Crop reinsurance fund.*

Mr. Jorgenson: Mr. Chairman, would the minister now be prepared to answer the question I posed to him on clause 1 with respect to the reason why the 2½ per cent figure was inserted in the bill, if it is not actually to be followed?

Mr. Hays: The 2½ per cent figure to which the hon. member refers is the liability to the province, but it has nothing to do with the premium cost.

Mr. Herridge: Mr. Chairman, I am interested in the question of this scheme being founded on sound actuarial tables. In view of the great diversity of conditions that exist across Canada from one province to another, and even within short distances within provinces, and the great diversification of crops with circumstances varying from one crop to another, is there any research work being done by the department in order, as the result of the research and the experience gained, to establish finally a crop insurance scheme on what are considered sound actuarial tables?

Mr. Hays: I think I can definitely say yes to that. The economics division is studying the matter and we are working with the provinces. We hope to be able to improve the program from time to time and we are anxiously awaiting their findings in so far as this matter is concerned.

Mr. Mandziuk: Mr. Chairman, now that the minister has his officials before him I feel I should come back to my original question. Is it not good business practice to set the rate that we in Ottawa are going to charge each province for reinsurance? Each province, and I am thinking particularly of Manitoba, sets its rate annually in advance. The farm test areas in the scheme are given that figure. Of course it is on a voluntary basis. Does it not seem reasonable to the minister that the province likewise should know it has to pay a certain percentage of the total premiums or total coverage? I agree with the hon. member for Provencher who said it might vary from year to year, but I think that good business practice would require that it be established in the spring. We would naturally like to have that information because the provincial governments would like to have it in order to see how much protection they are going to get under the reinsurance scheme. Has the minister any comment?

Mr. Hays: My officials tell me that it will be worked out on an actuarially sound basis, and that it will be worked out with the officials of the provinces. They will determine how much insurance is going to be sold and on this basis the premium will be indicated before the particular crop year begins.

Mr. Mandziuk: The rate we are going to charge the provinces will be set in advance?

Mr. Hays: Yes.

Mr. Mandziuk: Will this rate be based on the volume of insurance coverage for which the province subscribes, or will it be set on the basis of the premiums that the province collects? The volume of insurance might be $4 or $5 million and the premiums collected would be considerably smaller. I should like to know on which basis the rate will be set.

Mr. Hays: It would be based on the same principle on which their rates are based.

Mr. Mandziuk: On the volume.

Mr. Hays: However they do it.

Mr. Mandziuk: It is on the volume.

Mr. Hays: Then this is the way they would do it.

Mr. Olson: Mr. Chairman, it seems to me it is reasonably satisfactory for the minister to say they are going to set the rates on a basis that will be actuarially sound, but to do this of course they will first of all have to have some experience to find out what the rate will be. In the initial stages there must be a rate that they anticipate charging the provinces. Perhaps the minister could clear up this matter by giving us some indication of what they intend to charge when the scheme gets under way.

Mr. Hays: I should like very much to be able to give the figure but the figure has not yet been arrived at.

Mr. Baldwin: I should like to pose a question to the minister based on figures which might be taken out of the new section 4B. Let us take the case of any one province where the total liability for which the province may be responsible to all farmers or all groups of farmers under the scheme in force in that province might be $10 million. I think the minister took that figure by way of example. Consequently, under subsection 1(c) of section 4B the amount to be deducted would be $250,000. To proceed, if the actual losses sustained in that province for that year were of the order of $1 million you would then take the $250,000 under paragraph (c) and add to it the premiums received by the province from the farmers, which for purposes of this illustration we can take as being $100,000. Then you add to that the reserve for the payment of indemnities. I am going to ask the minister when he replies to indicate if he has had any discussion in this regard with the provinces and to suggest what the contemplated reserve figure is, but let us assume for purposes of my illustration that it is $50,000. You will take the $250,000, the $100,000 and the $50,000, which makes a total of $400,000, and deduct this sum from the loss of $1 million, which leaves a net of $600,000. Under the scheme of insurance in effect the federal government would then repay to the province 75 per cent of $600,000. Is that hypothetical case correct?

Mr. Hays: That is correct.

Mr. Baldwin: So in effect I suppose the 2½ per cent is a rough figure arrived at as a sort of premium between the province and the federal government. It acts as a premium to that extent between the two governments.

Mr. Hays: I do not know just how to explain it, but it would be comparable to the deductible provision in an automobile policy.

The Chairman: Shall the clause carry?

Mr. Forbes: Before you proceed I should like to ask a supplementary question on the same subject. Let us assume that the farmer is paying $1.25 per acre for crop insurance to the province of Manitoba, on which the federal government contributes 20 per cent and half the administration charges. What percentage of that premium is the federal government going to charge for reinsurance? That is the question.

Mr. Hays: We do not know the answer. I am not sure I understand your question.

Mr. Forbes: I am using the actual figures that have been submitted from my own area in Manitoba. If the cost of crop insurance were $1.25 per acre, and you already contribute 20 per cent of that as well as paying half of the administrative costs, what the farmer wants to know is, that he is paying the province $1.25 per acre and what percentage of that is the federal government getting for reinsurance? I think this is important, if we are going to sell crop insurance to the farmers across the country. They want to know what it will cost provincially and federally.

Mr. Hays: Our officials say their best estimate would be probably 25 per cent.

Mr. Forbes: I would say that I feel your officials should be able to estimate the cost because crop insurance has been in effect in Manitoba for four years. It covers 35 per cent of the farmers. Based on that experience, you should be able to tell what it is going to cost and be able to spell it out in the agreement with the provinces, so people will know where they are.

Mr. Hays: It will be.

Mr. Hamilton: Did I understand the minister correctly that the officials estimate the cost of reinsurance will be 25 per cent to the individual farmer? This is the inference I took out of the answer.

Mr. Hays: Not more, no; there will be no increase in cost at all.

Mr. Mandziuk: Does that mean there is no increase in the premiums paid by the farmers?

Mr. Hays: That is right.

Mr. Mandziuk: This reinsurance is a protection of the funds of the province. It is intended that the rates the farmers will pay will be the same. It is the same as the hail insurance companies because they always reinsure their risks for their own protection but that does not affect the original cost of the insurance. Is that correct, sir?

Mr. Hays: That is correct.

Clause agreed to.

On clause 3.

Mr. Hamilton: In view of the answer we just received I want to get a clarification because I feel there may be some misunderstanding, particularly in view of the question asked by the hon. member for Dauphin. The hon. member for Dauphin asked what the farmer would have to pay by way of increase and the answer was 25 per cent. We all know this would really slap down the whole concept of crop insurance.

Mr. Mandziuk: It would kill it.

Mr. Hamilton: The hon. member for Marquette says that it would kill it. I am simply pointing out that the second answer given by the minister was there would be no increased cost to the farmer because the province of Manitoba plans to pay it. Is that correct?

Mr. Hays: Out of the premium fund, with no change in the premium rates.

Mr. Hamilton: This puts us into the soup again. Either the province is going to pay it direct and not charge it to the fund, or the province is going to charge this reinsurance payment to the fund. I am speaking now to clause 3. If you look at clause 3, paragraph (C), you will find that you can now use these premium rates for reinsurance of the liability. The province is permitted to take the cost of this reinsurance out of the fund. I am concerned about not letting any unfortunate impression go from this committee. The minister says the individual farmer will pay no more. This means, then, that the province has plans to pay this premium because it is the provincial credit you are trying to protect. If the province takes advantage of this paragraph (C), then it will cost the farmer more, but certainly not 25 per cent. This is the point I was trying to get cleared up.

Mr. Forbes: My understanding is that out of the premiums the farmers pay to the province, the province would in turn contribute 25 per cent of the premium to the federal government for reinsurance.

Mr. Hays: That is correct.

Clause agreed to.

Clause 4 agreed to.

Title agreed to.

Bill reported and read the third time and passed.

MERCHANT SEAMEN COMPENSATION ACT

AMENDMENTS RESPECTING COMPENSATION ON INJURY OR DEATH

Hon. A. J. MacEachen (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to amend the Merchant Seamen Compensation Act

(a) to reduce the length of time a seaman must be disabled before compensation is payable to him;

(b) to increase the maximum amount payable as burial expenses for a seaman who dies from an injury;

(c) to provide that the compensation payable for or to dependant children of a seaman who dies from an injury may, with the approval of the merchant seamen compensation board, be paid to each such child under the age of 21 years who is attending school;

(d) to increase the minimum rate of compensation required to be paid to an injured seaman for temporary or permanent total disability; and

(e) to provide for the payment out of the consolidated revenue fund of additional compensation to the widows and dependant children of seamen who died prior to 1st June, 1957 from injuries;

and to make certain other amendments for the better administration of the act.

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

Mr. MacEachen: Mr. Chairman, the Merchant Seamen Compensation Act was first passed by parliament in 1946. Its purpose was to provide compensation to seamen who were not entitled to coverage under provincial workmen's compensation acts or under the federal Government Employees Compensation Act. This act has been amended on two occasions since that time, in 1952 and 1957. The purpose of these former amendments was to bring the level of benefits under the Merchant Seamen Compensation Act in line with the level of benefits available under the workmen's compensation acts, particularly in the

maritime provinces. At the present time it is found desirable also to amend the act for the purpose of bringing the present benefits in line with those contained in the benefit provisions of legislation in the maritime provinces. This is the first purpose of these amendments.

The second is to apply retroactively the present provisions of the act to widows of deceased seamen and their dependants and, in a number of cases, to orphans who were in receipt of benefits established under the amendments made prior to 1957. What we are seeking to do, as will be noted in the resolution, under this particular aspect is to provide for payment out of the consolidated revenue fund of additional compensation to widows and dependant children of seamen who died from injuries prior to June 1, 1957.

It might illustrate that particular aspect of this resolution to indicate that there are 16 widows at present in receipt of pensions of $45 to $50 a month, established under old awards, when at the same time the provisions of the present act provide for pensions of $75 a month. Our purpose is to bring these old awards in line with the present provisions. This will affect 16 widows, principally located in the Atlantic provinces.

There are also involved 20 dependants of these particular widows, currently in receipt of $15 a month. On behalf of each of these dependants the retroactive provision would bring this to $25 a month. There are 20 dependants and there are also five orphans, and the purpose is to apply a similar provision to them.

We intend to pay for these retroactive payments out of the consolidated revenue fund because there is no special fund available under the administration of the Merchant Seamen Compensation Act, and we do this in accord with the practice of the provinces which, when retroactive payments are sought, pay them out of the consolidated revenue fund.

Possibly I should provide a little more detail with respect to raising the level of benefits to the comparable levels prevailing in the provinces. In order that certain benefits payable under the act may compare more favourably with current rates and trends in workmen's compensation provisions, we propose that the following changes be made:

(a) That the allowance of $25 per month for a child be extended to age 21 from age 18, if attending school.

(b) That the allowance of $35 per month for an orphan child be extended to age 21 from age 18, if attending school. These two provisions are to bring our benefits in line with those prevailing in New Brunswick and Prince Edward Island.

(c) That the allowance for funeral expenses be increased from $200 to $300.

(d) That the maximum amount of earnings to be used for the purposes of computing compensation be raised from $4,500 to $5,000 per year so that the amount of compensation for total temporary disability or for total permanent disability be increased from $15 to $25 per week, except where earnings have been less than this amount.

(e) That the waiting period be reduced from four days to three days for the purpose of paying compensation to disabled seamen.

In essence, Mr. Chairman, the purpose of this resolution is twofold; to raise the level of benefits under the present act and bring them in line with the trends and standards in the Atlantic provinces, which was a stated principle when the act was first introduced, second, to apply the present provisions to old awards to widows and dependants in receipt of benefits less than the present awards, and finally, to pay these retroactive payments out of the consolidated revenue fund.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Was any consideration given to bringing the levels of these payments up to the levels paid in the other maritime province of Canada, the province of British Columbia? I notice the minister has confined it entirely to the Atlantic provinces. Is there some discrepancy between what is paid in B.C. and what is paid in the other maritime provinces?

Mr. Baldwin: Maybe the province of British Columbia is going to extend to the Atlantic very shortly.

Mr. MacEachen: The number of claims arising on behalf of seamen from B.C. is very small under this particular act, and that is so because the compensation act in B.C. applies to seamen from that province. Because of the very limited number of claims the practice has been to relate the benefits to the benefits applicable in the provinces from which the bulk of the claims arises.

Mr. Hales: Mr. Chairman, we in the official opposition appreciate the minister's concise and informative explanation on resolution stage of these amendments to the Merchant Seamen Compensation Act. As he has stated, this is simply a matter of bringing the act into line with the present conditions, and

of raising the benefits paid to seamen, particularly in the maritime provinces of the dominion.

In keeping with our policy in the official opposition of not holding up the proceedings of the house on resolution stage we are quite prepared to move on at this particular juncture.

Mr. Peters: I would like to join with the hon. member for Wellington South in congratulating the minister for introducing these amendments, but I believe it would have been to the advantage of seamen if the west coast had been taken into consideration when the rates were being calculated. However, I am sure this would cause the other maritime provinces to put some strain on the minister, if there were equalizing of the two areas.

This is the type of legislation which the province of Ontario has needed for many years, but which it has not seen fit to introduce, in order to bring compensation rates up to date for dependants of deceased employees. In certain cases the rate of benefit was originally calculated when wages were not high and this has resulted in discrepancies between the payments made to two benefactors suffering the same type of accident, solely because of the time factor. From my own experience I know of a person in Ontario receiving total disability pension of only $80 a month, while a fellow workman engaged in the same type of employment, and suffering an accident at a later date, receives $240 to $250 a month for exactly the same injury.

The fact that the minister has introduced this legislation is a good thing because we believe it will extend the principle of equalizing the amounts paid to those who are injured in similar circumstances. It is also good to note that this measure increases funeral benefits and raises children's allowances, the latter because children stay at school longer nowadays.

The minister is to be congratulated on introducing these amendments because this gives labour across the country an opportunity of saying to provincial governments that the federal government, which has some jurisdiction in this field, has produced more progressive legislation than they have. I would like to ask him whether this will result in the re-evaluation of pensions previously granted to disabled seamen?

There must be a calculable amount of money to provide a minimum standard for a seaman with 100 per cent disability, and this will change as we increase the amount we allow as permissible income. Will this result in a re-evaluation of previous pensions, and will this also be paid from the general treasury? I believe it should, and I would like to know if the idea is being carried to the extent of re-evaluation of pensions in terms of present day costs of living.

Mr. MacEachen: One principal effect of these amendments is to adjust upwards the pensions received by widows, their dependants and orphans, in a number of cases—five cases, to be exact. No provision had been made in the previous amendment to scale upwards, in accord with an improved level of benefits, the awards granted previously. So really the upward revaluation in this case with respect to these categories is to bring them in line with other provisions.

Second, of course, we have not changed the actual rates of current benefits under the present act, but are proposing to make various improvements; for example, an increase of $100 in the payment to be made for funeral expenses on behalf of a deceased seaman.

Mr. Peters: Mr. Chairman, could I ask the minister whether it is his intention to revalue awards; because I think he will agree that when you see fit to revalue the amount paid to a widow or to the children, and lengthen the period of time a child may attend school with compensation, you have really taken a forward look in the whole pension structure and have brought up to date certain sections of it.

Does the minister contemplate revaluing, in the near future, past claims? I do not know how many people this applies to in terms of seamen, because I am not familiar with the number that would be involved; but I am thinking of the case where a man, for example, may have lost a leg when he was earning $100 a month, and receives perhaps a $25 pension. If he were working now and his wages amounted to $200, the pension benefit would today be $50, obviously. I think if we are bringing up to date some of these benefits, the minister should be prepared to say that he hopes to consider, if not now, then later, the revaluation of the whole pension structure; because I believe the need is very great for those living on pension today. This has been done in the case of the Minister of Veterans Affairs; there has been an adjustment in this regard. I wonder whether the minister is contemplating doing this in the very near future as far as the workmen's compensation act is concerned.

Mr. MacEachen: Mr. Chairman, the basic principle underlying this act is that the benefits should in general conform to those prevailing in the workmen's compensation laws in the maritime provinces, because we are really picking up the individuals who are not normally covered by the provincial compensation acts. I stated to the hon. member for Nanaimo-Cowichan-The Islands that there had been a limited number of claims. I find that the correct expression would be that there have been virtually no claims from British Columbia. Whether these statements are synonymous or not, I do not know; but certainly we have not been obliged to take into account the level of benefits prevailing in British Columbia because there have been virtually no claims from that province. I am advised that there are no disabled seamen now in receipt of pensions, and for this reason no adjustment would be necessary in this regard.

Mr. Patterson: Mr. Chairman, I rise at this time only to express support for the resolution that is now before the committee. I believe it is gratifying to have a measure come along every once in a while with regard to which it appears there will be unanimity of opinion and support. I am sure it is because of the nature of this particular resolution that it is gaining that support today. The minister referred to the fact that it is just a limited number who will be affected by this particular legislation, but I am sure we all realize that although there may be just a limited number, yet it is of vital importance to that limited number that they receive benefits sufficient to enable them to live in decency and in a measure of comfort. I believe it is a good thing to relate all these pensions to the cost of living index, because naturally when there is an increase in the cost of living the amount a person may be receiving is decreased in value in relation to its purchasing power. Therefore, Mr. Chairman, I rise only to support this resolution that is now before us.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I am pleased to congratulate the minister on behalf of our group for having increased or readjusted the amount of the pension as proposed, which is the object of the resolution now under consideration.

He pointed out to us that he used provincial standards as a basis, but there is one item about which I wonder if he really considered the standards of each province, and that is the one about funeral expenses.

The minister feels that the increase of $100 is monstrous, but I think that it is very little, unless the provinces concerned have extremely low standards with regard to funeral expenses, for we in Quebec have a $500 standard to defray the actual burial expenses.

Considering the cost of burial and the expenses incurred following the death of a seaman, it is obvious that the sum of $300 is not enough.

I am not familiar with costs in the other provinces, but if the minister reconsidered the question, he would understand that an amount of $500 would be quite reasonable in Quebec.

As far as that clause is concerned, I do not see why a veteran would not benefit from the same advantages. As for the other provisions, I suppose the minister felt the amount in question is proportionate to the cost of living in the other provinces.

I do not intend to speak too long about this resolution. I merely wished to draw the attention of the house to the cost of burial, because I know something about that.

On the whole, we are quite satisfied with the proposed adjustment and I am sure that those concerned will appreciate the change.

[*Text*]

Resolution reported and concurred in.

Mr. MacEachen thereupon moved for leave to introduce Bill No. C-131, to amend the Merchant Seamen Compensation Act.

Motion agreed to and bill read the first time.

LABOUR CONDITIONS

ADOPTION OF INTERNATIONAL CONVENTION RESPECTING DISCRIMINATION

Hon. A. J. MacEachen (Minister of Labour) moved:

That it is expedient that the houses of parliament do approve of convention No. 111 concerning discrimination in respect of employment and occupation, which was adopted by the international labour conference on the 25th of June 1958, and that this house do approve the same.

He said: Mr. Speaker, I am happy to be able to recommend to the house that it approve this important international labour convention. Following its approval by parliament we propose to proceed to ratify the convention immediately thereafter.

This convention was adopted by the international labour conference in 1958 and since then it has been ratified by 45 member countries. The convention seeks to promote efforts throughout the world to remove discrimination in employment and occupation based on grounds of race, colour, sex, religion, political opinion, national extraction or social origin, and to promote equality of opportunity. When a member country ratifies this convention it assumes an obligation to declare and pursue a national policy designed to promote, by methods appropriate to national conditions and practice, equality of opportunity and treatment in respect to employment and occupation with a view to eliminating any discrimination in respect thereof. In ratifying the convention a member country must also report to the I.L.O. regularly on the manner in which the policy is being observed.

The subject matter of this convention is partly within federal and partly within provincial jurisdiction. The obligation imposed by this convention, however, unlike some other I.L.O. conventions, rests essentially on the federal government. An I.L.O. committee of experts which has reviewed this convention states that it is possible for the federal authorities in federal states to give effect to this convention by, and I quote, "declaring a national policy and by pursuing it through methods appropriate to existing constitutional practice; for example, by taking direct legislative or other action in areas which are within the competence of the federal authorities, and by exercising their influence in other areas through educational measures, co-operation between employers and workers organizations, and other appropriate agencies as envisaged by the convention."

Clearly an anti-discrimination policy has been and is being pursued in Canada at the national level. It is implemented through a number of federal statutes. The Canada Fair Employment Practices Act has the expressed purpose of preventing discrimination in employment in the industries under federal jurisdiction, and the fair wages order in council sets forth a similar policy as regards work on federal government contracts. The Female Employees Equal Pay Act applicable to industries under federal jurisdiction prohibits differences in rates of pay based solely on the sex of the employee. The principle of non-discrimination in the placement operations of the national employment service is set out in the Unemployment Insurance Act. The federal-provincial agreements under both the Technical and Vocational Training Assistance Act and the Vocational Rehabilitation of Disabled Persons Act contain clauses providing that assistance will be available without discrimination because of the racial origin or religious views of the person seeking such service. The Civil Service Act specifically expresses a non-discrimination policy in public employment in that the provisions authorizing the civil service commission to prescribe qualifications states that in so doing it shall not discriminate against any person by reason of race, national origin, colour or religion. The Department of Labour undertakes educational measures aimed against discrimination in employment with the advice and co-operation of employers, workers and other organizations.

So much for the position at the federal level. To ascertain the position within the provinces the Prime Minister (Mr. Pearson) wrote to each provincial premier to ask for confirmation that the province is pursuing by methods considered appropriate within the province a policy of promotion of equality of opportunity and treatment in respect to employment and occupation within the spirit of the convention. Hon. members will be pleased to learn that the response to the Prime Minister's communication to the provincial premiers was positive. We have received confirmation from all the provinces that they are pursuing policies to promote equality of opportunity and treatment in respect of employment and occupation.

Having received this assurance hon. members will, I am sure, agree that the time is now ripe for Canada to support this international effort to remove all forms of discrimination in the field of employment. Ratification of this convention has been recommended by a number of voluntary organizations interested in human rights. In particular the Canadian Labour Congress has made a substantial contribution toward the objectives of this convention and I want to express appreciation for this.

I am pleased to be able to remind the house, Mr. Speaker, that Canadian employer, worker and government representatives all played a significant part in framing the text of the discrimination convention at the 1958 I.L.O. conference. The text was developed by a conference committee, the chairman of which was Mr. Arthur H. Brown, then deputy minister of labour for Canada. The committee was tripartite, and the leader of the workers' group and vice chairman of the committee was Mr. Kalmen Kaplansky, director of international affairs for the Cana-

dian Labour Congress. Mr. Kaplansky was thus the principal spokesman for labour in the I.L.O. member countries on this subject. In the previous year, 1957, when the conference committee gave first discussion to the proposed convention, Mr. Kaplansky was also vice chairman of the committee for the workers' group, and the employers' vice chairman was Mr. Allan Campbell, vice president in charge of industrial relations of Canadian Westinghouse, the Canadian employer delegate at the 1957 conference. Thus Canadian representatives were spokesmen for the workers and employers of the world in framing the convention against discrimination in employment and occupation. Canadians having been so active in the drafting of this international instrument, I am glad the time has come for us to take the steps leading to its ratification.

At last year's I.L.O. conference, Mr. Speaker, I am informed that one of the reports described the progress being made within I.L.O. member countries, in accordance with the provisions of the convention, to eliminate the evil of discrimination in employment. The conference approached the subject in an atmosphere of some considerable tension, since the newly-independent African states had chosen this particular session as the occasion to demonstrate vigorously their disapproval of the racial policy practised by the South African government. The report contained a significant and sobering statement to the effect that no member country is entirely free of the evil of discrimination in employment.

The struggle against discrimination, then, must be a continuing one. The legislation which has been enacted in Canada must be seen as part of this continuing struggle, and not as evidence that the struggle has been finally won. As part of this continuing struggle the government of Canada, using every media at its disposal, has conducted a continually expanding program of educational publicity, to assist in removing the attitudes of mind that give rise to acts of discrimination.

Ratification of this convention does not constitute a declaration that we in Canada are entirely free of the evil of discrimination in employment, but it is an affirmation that the policy of Canada, at the federal level and and at the provincial level, is directed against discrimination in employment. Ratification of the convention will act as a spur to greater efforts to eliminate any discrimination which exists within Canada, and it will demonstrate our support of the international campaign to achieve this same objective in other parts of the world.

I hope, and I am confident, Mr. Speaker, that this resolution will have the unanimous support of the house.

Hon. Michael Starr (Ontario): Mr. Speaker, I am pleased indeed that the Minister of Labour (Mr. MacEachen) and the government have been successful in obtaining the approval of the provinces to ratify this convention passed by the I.L.O. in June of 1958, and that they have voiced their opinions against discrimination in employment and occupation which may occur from time to time in the federal field of jurisdiction.

I too wish to join the Minister of Labour in commending the human rights committee of the Canadian Labour Congress who worked diligently, and its very effective members who, on many occasions, having had discriminations in this field brought to their attention, have referred them to the government. In Canada, as the Minister of Labour has pointed out, we have very few cases under federal jurisdiction where discrimination is practised in employment. During my term of office I experienced only two or three cases of this kind in approximately six years. However, in each case we certainly brought to the attention of the employers the fact that here in Canada we will not tolerate any discrimination in this area whatsoever.

It is to be noted that we have a peculiar situation in Canada in that we have provincial jurisdictions. Consequently we have to obtain provincial approval in respect of any of these conventions passed by the I.L.O. There may be criticisms that we have not approved as many of these conventions as we should have over the past years, but because of the peculiar circumstances here, because of provincial jurisdiction, and because many of these conventions which are put forward do not apply in practice in Canada, we have not approved as many as perhaps some people feel we should have.

A great many more countries which participate in the I.L.O. should adopt some of these conventions, which apply in practice to their countries; however, they have failed to do so. When one looks over the schedule of what has been done in the past he will note that some of these things which have been condemned by the I.L.O. are being practised in many countries. It is significant to me that many of the countries where the practice of discrimination, as condemned by the I.L.O. convention, is to be found, have failed to adopt

the principles recommended by the conventions. I am sure that all of us in Canada who do not wish to tolerate any discrimination in this area at all will be glad to support this resolution and give it our blessing.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we too should like to join with the present Minister of Labour (Mr. (MacEachen), and the former minister of labour, in expressing our pleasure that the house is being given the opportunity to approve the ratification of the convention of the I.L.O. against discrimination in employment and occupation. I am sure we are all aware of how important in the world today is the issue of discrimination, and particularly discrimination on the ground of race. I am sure we are all aware that the chances of holding our world together might well depend on the capacity of mankind to eliminate all of the practices of discrimination that have been so black on the pages of human history. We were delighted that the I.L.O. conferences of 1957 and 1958 approved of the convention now before us, and we are pleased that a recommendation for its ratification is now being made to parliament.

In a way that is partly personal I should like to express my pleasure at the tribute paid by the present Minister of Labour and the former minister of labour to those of the Canadian Labour Congress who worked very hard for the adoption of this convention at the international labour organization conferences in 1957 and 1958. I am delighted that the Minister of Labour made special mention of the name of Mr. Kalmen Kaplansky, who was the leader of the workers' group that dealt with this matter in 1957 and again in 1958 and who, along with Mr. Arthur Brown and others, played a very active part in promoting this convention and piloting it through the various stages at the two conferences. We mention these two conferences of 1957 and 1958 because, as most hon. members are aware, an I.L.O. convention does not come into effect until it has been approved at two of the conferences of that international body.

Behind the efforts of the representatives of the Canadian Labour Congress at the I.L.O. conferences of 1957 and 1958 lie a number of years of very diligent work in this field. As the present and former ministers, and other hon. members of the house who have relations with labour will know, both the congresses which in 1956 united to form the Canadian Labour Congress, formed human rights committees a number of years ago. These committees worked very hard to get legislation in the provinces and at the federal level which would outlaw discrimination. They also worked very hard to have steps taken which would lead to the passing of conventions and recommendations by the I.L.O.

Since names are being mentioned, I think it might be appropriate for me to remind hon. members that Mr. Claude Jodoin, who is now president of the Canadian Labour Congress, some years before he attained the high position in the labour movement he has now attained, was the first chairman of the human rights committee set up by the former trades and labour congress of Canada. Frank Hall is another individual whose name has been very closely linked to human rights efforts over the years. There are many others who were members of the former congresses and who have made very outstanding contributions since the Canadian Labour Congress was brought into being in 1956.

It was quite significant therefore that Mr. Kaplansky, who had played a very important part in these committees and in co-ordinating the work of the committees of the two former congresses, should have found himself in the position of being the chairman of the workers section of the tripartite committee at Geneva in 1957 and 1958. As a matter of fact, even since the convention was brought into being I believe a small committee has been appointed by the governing body of the I.L.O. to see to it that the practical results that could flow from this convention are achieved, and Mr. Kaplansky, who is the Canadian workers' member of the governing body of the I.L.O., is a member of the special committee that is working on this matter. So I hope the house does not mind my taking these few minutes to spell out in some greater detail what the Minister of Labour (Mr. MacEachen) and the hon. member for Ontario (Mr. Starr) have both already done, namely to pay tribute to the part played by leading labour spokesmen in Canada to achieve this convention with which we are concerned at the present time.

I join with the Minister of Labour also in expressing pleasure that when this convention came up for approval at Geneva in 1957 and in 1958 it had the support of all three sections representing Canada at those conferences, namely workers, employers and government. It is a bit strange, of course, that it has taken quite this long, from 1958 to 1964, to reach the point where we are being given the chance to approve of this convention in parliament. I know that the same story has been given with respect to it that is so often

given, namely that it is because of our federal situation. Yet, Mr. Speaker, it is true that the International Labour Organization takes into account the fact that there are states with federal forms of government such as ours, and I submit that our record in Canada is one that could be improved.

If my information is correct I believe this will be the 21st of the I.L.O. conventions that Canada will have ratified and I believe that there are over 100 I.L.O. conventions which Canada has not yet ratified. We have been a member of the I.L.O. since it was established in 1919. We have paid tribute across the years to the significant role the I.L.O. has played in raising living standards around the world and in doing something to improve the dignity of those who work. We think that Canada could have done a lot better in all those years than ratifying only 21 conventions of that organization while leaving over 100 that have not yet been ratified. So we hope that the action we are taking today will not be so isolated, as indeed these occasions have been. Here we are 45 years since the I.L.O. was set up, and we are ratifying today only the 21st of the conventions passed by that extremely important international body.

May I conclude by repeating in a sentence or two what I said in my opening remarks. In this whole question of discrimination we are dealing with one of the most important problems facing our world today. If we are going to do something effective about this problem we must not only pass resolutions, pass conventions and put things on paper but we must have the legislation, we must have the means of enforcement and we must diligently set out to see to it that so far as Canada is concerned, and so far as any lead we can give to the world is concerned, there must not be discrimination in employment or in occupation or in any other area or aspect of human life. We are terribly aware of the problems in this field that are experienced in some other countries but we are not a people who can throw any stones. We still have quite a piece to go to make it quite clear that in no respect in this country, in terms of race, religion, sex or any other differences, is there discrimination. We welcome, Mr. Speaker, the opportunity that is being given to parliament to endorse ratification of this convention and we hope we will take other steps to demonstrate the significance of what we are doing today.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, a few minutes ago I referred to the fact it was rather encouraging to find that some measures brought before the house were receiving unanimous support and agreement. It is rather significant that this is the second one in succession and it appears that the house is of one mind regarding the measure now before us.

I want to assure the minister that we support fully the resolution now before the house. I believe that discrimination against people in any segment of our society because of these various factors that have been mentioned is to be deplored. It is a denial of the principle of the dignity of the human personality and a repudiation of that which is highest and best in human life and experience.

Reference has been made to the fact that we have looked with disfavour upon discriminatory practices in other nations but we must be sure that these same practices, though perhaps to a lesser degree, are not countenanced in our own nation. I have noted this statement in the international labour conference resolution:

> Considering that the declaration of Philadelphia affirms that all human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity—

I do not believe anyone in this chamber would disagree with that pronouncement. I should also like to join in commending those who have worked so diligently to promote the principle of non-discrimination and the abolition of discrimination in various spheres. It is our sincere hope that the convention will achieve universal acceptance.

I believe we must go farther than just passing resolutions or legislation. I believe it is important to promote understanding and good will among all peoples of the world, including those of our own nation, and if we fail to promote that attitude of mind and heart which recognizes the equality of mankind we are not going to achieve our objectives merely by passing resolutions. It was heartening to hear the minister state that there has been a unanimous response from the provinces assuring him that everything is being done to promote this type of measure and to ensure that no discrimination exists so far as it is possible to eliminate it. So, Mr. Speaker, we give full support to the resolution now before us.

Motion agreed to.

Labour Conditions

LABOUR CONDITIONS

MEASURE RESPECTING HOURS OF WORK, MINIMUM WAGES, ETC.

Hon. A. J. MacEachen (Minister of Labour) moved the second reading of Bill No. C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

He said: Mr. Speaker, Bill No. C-126 is an act respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses. The two preceding items of legislation in the labour field that were proposed to the house were received with enthusiasm and unanimity by members. I am sure I speak with a certain amount of certainty in saying that the principle underlying this bill will be received with similar enthusiasm and unanimity by members. The second reading of this bill is a notable occasion in the history of labour in Canada. It is a notable event in the history of the labour department and in the evolution of labour legislation in Canada. In so far as the federal government is concerned, it breaks new ground because for the first time the federal parliament is being asked to enact standards in several important fields hitherto unoccupied—at least, it is being asked with assurance of success.

Mr. Knowles: Is the minister saying this is the first time parliament has been asked to do this?

Mr. MacEachen: With assurance of success that the request will be accepted, parliament is being asked to take steps in this important field. The enactment of this bill therefore will fill a conspicuous gap in the field of labour standards in Canada.

We all know, Mr. Speaker, that provinces in the past, in their jurisdictions, have established standards in the field of wages and hours which course has not been followed by the federal parliament. This measure establishes a record. It breaks new ground in that sense. I think in a second sense it breaks new ground also because it brings together within one bill at least four major areas of work standards, hours of work, minimum wages, annual vacations and holidays with pay. This bill brings all these together in a single enactment. I know of no enactment, certainly on this continent or elsewhere, that is so comprehensive in its coverage as this particular bill.

May I say that the short title of the bill is the Canada Labour (Standards) Code. The conception of this bill, in its short title, will enable the house on future occasions in taking action in other fields of labour to use this main title. For example, if future modifications or amendments are desired to the Industrial Relations and Disputes Investigation Act, the amended act might be entitled the Canada labour (relations) code. Likewise, if at some future time action is taken in the field of safety, the caption might be the Canada labour (safety in employment) code. It would be possible therefore to bring together in a single labour code all the enactments by the parliament of Canada affecting the rights and obligations of the Canadian labour force under federal jurisdiction.

The first reading of this bill, Mr. Speaker, I am delighted to report to the house, was received with approval both by the Canadian Labour Congress and the confederation of national trade unions. I had the privilege earlier in the year of addressing the national convention of the Canadian Labour Congress. At that time I told the members of the congress that it was the intention of the government at this session to introduce legislation in this field. This announcement, of course, was received warmly by members of the congress in convention. Later, I had a similar privilege of attending a convention in Quebec city of the confederation of national trade unions and the announcement made in the same vein was received at that convention in a similar spirit of enthusiasm. It is pleasant to know now that both congresses have approved the principle of this particular bill.

The objective, of course, of Bill No. C-126 now before the House of Commons for second reading is the establishment of minimum labour conditions for employees in undertakings within the legislative authority of parliament. The bill, incidentally, and more than incidentally, expressly implements the undertaking given by the Prime Minister (Mr. Pearson) in the city of Hamilton on March 25, 1963, outlining the labour policy of the present government. As a matter of fact, a comparison between the labour policy of the Liberal party as set out by the Prime Minister, with the present bill and the important consequences following from this bill, will indicate that what we are hoping to do goes considerably beyond the policy announcement made by the Prime Minister in Hamilton in March of 1963. It fulfils also the promise I made in the house on my estimates, notably to the hon. member for Winnipeg North Centre (Mr. Knowles) to bring in a compre-

hensive labour standards bill at this session. Judging by the interest that has been shown both in and outside of the house, and by private members' bills which have been debated on numerous occasions on this same subject matter, I think the house will welcome the introduction of this bill.

If at this time, Mr. Speaker, I fail to point out the regularity with which the hon. member for Winnipeg North Centre has espoused this cause and the numerous occasions on which he has introduced private bills, I am sure that omission will be pointed out by the hon. member for Winnipeg North Centre when he rises to speak on second reading of this particular bill. I know his interest has been shared by members of this house and his private bills, in this session and past sessions, have been debated vigorously and supported generously on the understanding that the government itself would be introducing a measure along these lines.

The fact that the intention of the government to proceed with this bill has been known for some time made it possible for me, as minister, and the officials of the Department of Labour to discuss the general effects of the legislation with some of those who will be affected by it and with representatives from labour and management groups. We have taken advantage of these meetings to discuss the general objectives of this legislation, and this consultation and discussion have enabled us to take account of some of the concerns expressed by making the provisions flexible enough to take care of unusual situations without affecting the essential standards or excuding any classes of employee.

There have also been discussions with the provinces. At a conference of labour ministers last March we discussed the proposed legislation in general terms. There was, I believe, general agreement on the need for progressive labour standards in Canada as a whole, and recognition of the gap that existed because of the lack of federal legislation. An examination of the statement issued at the end of this conference, bearing the approval of the provincial ministers, will justify that there was at this conference general agreement on the need for progressive labour standards, the acknowledgement of the existence of a gap in the federal field.

The problems of the setting of minimum standards are somewhat different in the provincial field jurisdiction, and we have to recognize it is the responsibility of each government to determine what standard it can put into effect. Excellent co-operation has existed for many years between provincial and federal departments of labour in Canada, and we will avail ourselves of it for useful consultation on the implementation of both federal and provincial legislation in the labour standards field. It is a fundamental principle of the proposed legislation, not just as a matter of convenience, that the bill combines provisions dealing with four basic labour conditions as well as related matters. This has been done so that all employees within our jurisdiction will be ensured, as a matter of right, of as high a standard in these basic labour conditions as is within present reach.

The standards we proposed for the code are a minimum wage rate of $1.25 an hour, a standard eight hour day and 40-hour week, overtime hours paid at time and a half and limited to eight a week, seven general holidays with pay, and two weeks annual vacations with pay. As hon. members will have observed, the proposed labour code will cover employment on or in connection with any work, undertaking or business that is within the legislative authority of the parliament of Canada. The coverage is the same as in the Industrial Relations and Disputes Investigation Act. Hon. members will recall and realize that this includes mainly the transportation and communications industry, banking, uranium mining, grain elevators and certain work carried on by federal corporations.

The bill does not apply directly to employees of government departments or of departmental corporations. However, when parliament adopts this legislation covering national industries under federal jurisdiction, which I trust will be soon, the government will adopt as a matter of policy similar standards for its own employees, so that while the employees of government departments or employees of departmental corporations are not directly included within this act, the government will apply these standards to these employees.

In many cases of course working conditions of federal civil servants and prevailing rate employees are more favourable than the standards set forth in this bill, but where they fall short, my colleague the President of the Privy Council (Mr. McIlraith) will indicate in due course the action that will be taken.

In the case of work on government contracts, changes will be proposed in the Fair Wages and Hours of Labour Act later in the session, in order that those covered by this legislation will also be brought into conformity with the hours of work and minimum wage

standards of the Canada labour code. So in effect, flowing from the enactment of this particular bill applicable to employees within federal jurisdiction, there will come consequential improvements applying these standards to government employees, and consequential amendments to the Fair Wages and Hours of Labour Act.

At present we have under consideration the amendments to the Fair Wages and Hours of Labour Act that will appropriately, and can appropriately, reflect the standards embodied in the Canada labour code. In my judgment it is a very significant step to apply these standards to the kind of contracts that are governed by the Fair Wages and Hours of Labour Act, and indeed to classes of contracts that are not presently covered by the Fair Wages and Hours of Labour Act, and I think in this respect that the proposals I am putting forward go beyond possible earlier expectations as to what might be contained in this proposed legislation.

In the first part of the bill standards relating to hours of work are established. The number of working hours is not to exceed eight hours a day and 40 hours a week, and where overtime of an additional eight hours a week is permitted, time and one half the regular rate is to be paid. Work in excess of 48 hours in a week is to be allowed only under permit, where the applicant has established the existence of special circumstances sufficient to justify working additional hours.

The officials of the department have accumulated considerable experience in the extending of permits in certain instances in the operation of the Fair Wages and Hours of Labour Act, and we believe that this can be a workable system under the Canada labour code.

Mr. Speaker, may I call it six o'clock?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Deputy Speaker: It is my duty, pursuant to standing order 39A, to inform the house that the following questions are to be raised at ten o'clock this evening: first, the hon. member for Bow River (Mr. Woolliams) national parks—meeting with council respecting motel construction at Banff; second,

[Mr. MacEachen.]

[*Translation*]

The hon. member for Labelle (Mr. Girouard), transportation, Quebec—proposed reduction in C.P.R. train service;

[*Text*]

third, the hon. member for Kootenay West (Mr. Herridge)—natural resources—magazine article alleging plundering by U.S. sportsmen.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

LABOUR CONDITIONS

MEASURE RESPECTING HOURS OF WORK, MINIMUM WAGES, ETC.

The house resumed consideration of the motion of the Minister of Labour (Mr. MacEachen) for the second reading of Bill No. C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Mr. MacEachen: Mr. Speaker, before the dinner recess I was referring to the provisions of the Canada Labour (Standards) Code with respect to hours of work. In the first part of the bill, standards relating to hours of work are established. Although the great majority of employees under federal jurisdiction are on a 40-hour or shorter work week, there are still a number of instances where longer or even excessive hours are worked in establishments that are subject to federal regulations. It is generally recognized that excessive hours worked over long periods of time do not contribute to industrial efficiency, are injurious to health and can be an important factor contributing to industrial accidents.

Technological advances and gains in productivity have already brought substantial benefits to most workers in the form of shorter hours as well as in other ways, and will no doubt produce more and more leisure time in the future. We must seek means of absorbing this leisure by providing for a more equitable sharing of it. The enactment of the 40-hour standard is thus intended not only to benefit those employees under federal jurisdiction who still work long hours, but also to help spread employment among the work force.

Without knowing the full extent to which overtime is worked in federal industries, the reasons for it, and its distribution throughout the year, we have not considered it practical at this time to propose limiting overtime hours more drastically but overtime work will be kept under scrutiny and we have made provision for reducing the number of overtime hours permitted by regulation. Such regulations could apply to the whole or part of any industry.

A recent I.L.O. instrument on hours of work, recommendation No. 116 concerning reduction of hours of work, adopted at the 1962 international labour conference, was tabled in this house by the former minister of labour, the hon. member for Ontario, (Mr. Starr), on January 22, 1963. At that time he stated that study was being given in the department to the instrument, with a view to action. The basic provision of this recommendation, the implementation, by gradual steps if necessary, of a 40-hour standard work week, retaining the 48-hour maximum limit set by an earlier convention which Canada had previously ratified, is essentially being implemented by this bill.

Mr. Speaker, I now turn to the second part of the bill, namely minimum wages. It has I think been accepted by all advocates of a minimum standard for wages in federal industries that the only practical approach is to fix a minimum hourly rate by statute, and that is what this bill provides. We propose an hourly rate of $1.25 applicable throughout the country. The minimum rate applies to men and women of the age of 17 and over. The charges or deductions that may be made for board, lodging, uniforms, tools or equipment may be prescribed by regulation. This provision is necessary to see that the effect of the minimum wage is not evaded.

A special provision is also included to cover the employment of young people under 17 years of age. In this case the appropriate wage rate for the occupation is to be determined by regulation. There are fewer and fewer jobs that can absorb young people with limited training and there is general agreement that it is now more desirable than at any time in the past that young people should remain in school to become as well prepared as possible for the more complex and technical world of work they will later be entering. Continuing studies are needed to determine what is and what is not suitable employment in these industries for those young people who for one reason or another do leave school at 15 or 16, and to fix an appropriate minimum wage rate and other conditions of employment.

In order to ensure that the requirement to pay the $1.25 minimum rate does not stand in the way of bona fide training programs in industry, which should be encouraged, an employer who is providing a suitable training program for employees may be exempted from paying the minimum rate to them during the training period. I believe that members of this house will consider that the $1.25 hourly rate is a reasonable rate at the present time. We have to bear in mind that if, in an effort to raise workers' incomes, too high a minimum rate is fixed, it may defeat its purpose by making costs so high that employment opportunities for the workers it is intended to help may be curtailed as a consequence. I suggest that we should try to achieve a sound balance at our present stage of development, and to the best of our knowledge we have done so in the proposed rate.

Part III establishes two weeks as the minimum annual vacation with pay. It incorporates most of the provisions of the Annual Vacations Act passed in 1958, and repeals that act. The essential change is that the period of continuous employment necessary to qualify for the two-week vacation has been shortened to one year. This minimum standard will not impose an excessive burden upon federal industries at this time since the practice of giving two weeks for the first year of employment is now accepted in many cases. An important impact will probably be with respect to employees who do not complete a years' employment, who will now receive 4 per cent of their wages upon termination instead of 2 per cent. The provision requiring continuous employment for 30 days in order to qualify for vacation pay on termination of employment has been retained.

The fourth part of the bill sets out the general rule that an employee is entitled to a holiday with pay on at least seven general holidays in a year. He is to receive his regular pay for these days. If a general holiday falls on a day that is a non-working day for the employee—that is, a Saturday or Sunday when the establishment is closed—or on a week day that is a scheduled day off for him, he is to have another day off in lieu of the holiday. The principle of the bill in this part is to ensure seven days off with pay. It does not prohibit work on a holiday. Many of the employees to whom the act will apply are employed in continuous operations and normally have to work on some of the general holidays. Such an employee may be

granted an alternative day off with pay, which may be a day added to his annual vacation or granted at another time convenient to him and the employer. In other than continuous operations, where the establishment will normally be closed, if an employee is required to work on a holiday he is to be paid at a rate at least equal to one and one half times his regular rate of wages for the time worked on the holiday, in addition to his regular pay for the day.

The seven general holidays named in the bill are those which are most commonly observed as paid holidays in the federal industries. To take account of local custom in the observance of holidays, the bill provides that an alternative holiday may be substituted in any industrial establishment for any of the specified days. An employee is not entitled to holiday pay for a general holiday that occurs in his first 30 days of employment with an employer.

For most workers in Canada, particularly workers governed by collective agreement, paid public holidays are now a customary part of conditions of work. However, there is great variation in the number of holidays granted per year, the conditions surrounding the right to pay for the holiday, and the remuneration paid for work on a holiday. This code will standardize conditions regarding paid general holidays in the federal industries to the extent of guaranteeing seven days with pay. It leaves to collective bargaining the question of additional days as the circumstances may warrant.

The legislation will place a positive obligation upon the Minister of Labour to see that there is compliance with the provisions of the act and it will be necessary to have a system of inspection to see that the standards laid down by the act are observed. The furnishing of pay statements to employees is generally accepted good practice and will be required of employers under the act. A number of questions are anticipated in the administration of the legislation which will require consultation with the parties affected. Provision is therefore made for the setting up of ad hoc advisory committees to advise the minister on any matter relating to the administration of the act. There is also a provision permitting an inquiry to be made concerning employment in any industrial establishment, and a person appointed to undertake such an investigation will have the powers of a commissioner under the Inquiries Act.

Parts I to IV will come into effect January 1, 1965. This is to allow the Department of Labour to make the necessary arrangements for administration and to allow the employers who will need to change some of their practices time to work out the changes in an orderly way. Special transitional provisions, it will be noted, are included at the end of the bill to allow a longer period of adjustment to the prescribed hours standard and the minimum wage, where it can be shown that compliance with these requirements would prejudice the interests of the employees or would be seriously detrimental to the operation of the undertaking. In each case a deferment may be permitted up to July 1, 1966. The opportunity for a deferment of the application of the minimum wage rate is limited to those businesses that are organized and operated in one local area. The purpose of this provision is to help lessen any hardship where the rates of employees would have to be adjusted.

Problems may arise in reducing hours of work in those operations which are now working substantially longer hours than 40 in a week at regular rates of pay. The principal problem that will be met here, of course, is a possible rapid reduction in weekly take home pay if the standard work week were applied immediately. For that reason this particular transitional provision is put into the bill. This particular deferment aspect is not confined to industries operating on a local basis but is applied to industries in general.

Finally, Mr. Speaker, I should like to draw to the attention of members the relatively simple and straightforward nature of this bill. An effort has been made to avoid unnecessary complexity in administration and to minimize inconvenience. The provisions permitting the averaging of hours over a longer period than a week, permitting another general holiday to be substituted for one of those listed, and the recognition of the special circumstances of continuous operations in regard to holidays, and indeed the provision whereby the application of part I dealing with hours of work, or section 11, part II, dealing with minimum wages, may be deferred during a period of adjustment—all these make not only for flexibility and simplicity but are also designed to keep any disturbance to existing operations to a minimum, taking into account the major social objectives that are embodied in the Canada labour code.

Hon. Michael Starr (Ontario): Mr. Speaker, in dealing with the second reading of Bill No. C-126 I want to say to the minister that I rather like this what I might call one

package deal legislation, which combines four aspects of jurisdiction in the federal labour field. When the minister said that these pieces of legislation which are embodied in the bill were breaking new ground I am sure that he did not mean they broke new ground entirely, because we have had on our statute books legislation dealing with hours of work and fair wages. This legislation provided that fair wages must be paid both on construction and on manufacturing contracts. Maximum hours on construction contracts were to be eight hours per day with a 44-hour week, and hours of work on manufacturing contracts were to be those current with comparable work in the area. Therefore, as far as hours of work are concerned it is not correct to say that this legislation is entirely new, but it does present a modification in that the bill provides a 40-hour week with the possibility of an additional eight hours upon application to the minister, and payable at the rate of time and a half. So in fact that is a modification of what we now have on the statute books.

We have had in this area many problems, particularly in the construction field, and I was wondering whether the minister should not have thought of making a division between some of the industries and making some things applicable to certain of the industries under federal jurisdiction with an entirely different set of rules for an industry not comparable to others vis-à-vis its work operations. For example, the construction industry is at all times uncertain as to the number of hours to be worked, depending on the season of the year, whereas other industries under federal jurisdiction are fairly stable in this regard. In this connection I wonder whether the minister considered applying a 35-hour week to certain industries which could operate under it. As we all know, in the United States there is now a trend toward collective bargaining so as to obtain a 35-hour week and thereby create more employment. This is a means that is supported by many people in their endeavour to reduce unemployment in this country.

In the area of annual vacations, legislation has been on the statute books since October 1, 1958. The proposal contained in this bill represents a modification. The legislation now provides for a one-week vacation after the first year of employment, or 2 per cent of gross wages, and two weeks after the second year, or 4 per cent of gross wages. This bill proposes that an employee will receive two weeks annual vacation with pay after the first year of employment, or 4 per cent of gross wages. I am wondering whether this proposal has been included to satisfy the hon. member for Winnipeg North Centre (Mr. Knowles) who, I remember very well when I introduced this legislation for the first time, fought strongly for the proposition that two weeks be provided after the first year of employment.

The holidays with pay provision in this proposal provides for seven days. I should like to bring to the attention of the minister that the committee on rules and procedure in its recommendations presented last week suggested that members of parliament should be entitled to nine days, and that was done without any collective bargaining whatsoever. I think that was done for another purpose. However, this is a basis upon which collective bargaining can take place. The bill itself provides for seven statutory holidays.

We now come to the other provision in the bill which is entirely new to the federal field of jurisdiction, and I refer to minimum wages in Canada. This bill provides for $1.25 per hour as a minimum wage. Even now organized labour is asking for a minimum wage of $1.50 per hour. I am very happy to note that this minimum wage is to apply to the young people, 17 years and over. However, I am wondering whether it should not have been applicable to those young people entering the labour force at 16 years of age and over, because it is compulsory that children attend school until age 16, and many of them leave at that age to go to work. Consequently we have many young people entering the labour force who are not covered by this act. A great many of them must make overtures to the minister in order to obtain a fair wage.

The release for June of this year by the dominion bureau of statistics reporting on the labour force, indicates conclusively that young people, particularly those leaving school between the ages of 14 and 19 years, untrained and not having skills and trades required by industry, increased in number as compared with last year. Perhaps the minister would look at this situation to ascertain whether it would be practical to have these young people entering the labour force covered by this legislation when they reach the age of 16 years. It would also be interesting to know how many of them are employed within the federal field of jurisdiction and receive wages below $1.25 per hour. The minister did not indicate how many employees in this field

would be affected by this minimum wage proposal.

As a result of what I have heard I am sure that the Minister of Labour (Mr. MacEachen) received a great deal of opposition from his colleagues in the cabinet, but that his perseverance overrode the objections of those individuals who felt this was not good legislation. This is good legislation which I think will do a great deal for the economy of this country.

I was rather surprised that the minister in his opening statement on second reading said that federal employees would not be covered immediately by this legislation. I hope I am correct in that statement.

Mr. MacEachen: They are not covered because they are covered by other acts such as the Civil Service Act, and prevailing rates regulation. Such changes would require special legislation. It would not be proper to make those changes by a bill such as the one now before us.

Mr. Starr: There is no necessity for including those employees if they are now receiving a minimum of $1.25 per hour under the Civil Service Act.

I think this legislation is timely for several reasons, and I refer particularly to the minimum wage portion of the bill. I feel this will constitute a major addition to the existing pattern of progressive national labour standards, and I have in mind fair employment practices, equal pay for equal work, annual vacations, fair wages and hours of labour. The federal government in setting desirable goals or objectives in this regard can and does give leadership and guidance to the provinces, thereby tending toward higher and more uniform standards.

The area of federal jurisdiction in the field of minimum wages represents a gap in so far as regulation of minimum wages in this country is concerned. Though the provinces have minimum wage laws they vary widely in rates and coverages. I might point out that Canada is one of the few advanced industrial nations in this world which does not have national minimum wage legislation.

I do not know how accurate I will be, but I intend to list some minimum wage legislation that now exists in different provinces. If I misstate the facts in this regard I stand to be corrected. I understand in Newfoundland the minimum wage covering the general order for male employees is 50 cents an hour, and the general order for female employees is 35 cents an hour. In Nova Scotia the general order for female employees is $21.60 per week in cities and towns with over 8,000 people, $19.20 per week in incorporated towns with a population of under 8,000 and $14.40 per week in the rest of the province. In New Brunswick the general order for female employees is 50 cents per hour. In Quebec the general order for male and female employees is 70 cents per hour in metropolitan Montreal, and 64 cents per hour in the rest of the province.

In Ontario just recently the minimum wage regulations were modified so that in some areas the minimum wage is $1 per hour while in other areas the minimum wage is $1.25 per hour. In Manitoba the general order for male and female employees is 66 cents per hour in urban areas and 61 cents per hour in rural areas. In Saskatchewan the general order for male and female employees is $32 a week based on a 40-hour week. In Alberta the general order for male and female employees in cities and towns with a population of over 5,000 is $34 per week, and in the rest of the province $30 per week.

In British Columbia the minimum rates are set on an industrial basis and there are 38 orders, most of which in fact set the same rate for both men and women. The manufacturing order sets a rate of 75 cents per hour for males and 60 cents per hour for females. In the mercantile, hotel and catering area the minimum rate is 65 cents per hour for both men and women. The rates in other orders range from $2 an hour, for qualified tradesmen in the construction industry, to 40 cents an hour for female employees in the fish processing industry.

We can readily see that this legislation will set a pattern or standard, and that provincial governments will be pressured in many ways to bring the present rates now on the statute books close to or equal to the federal standard that is being set in Bill C-126.

There is also a growing interest in the subject of minimum wages in Canada. Over the years that I have been in the house I have noticed that statements by members of the house have revealed support for a national minimum wage. This has also been urged by many groups, particularly labour groups, and over the years many members of the House of Commons have sponsored minimum wage proposals which have been discussed during private members' hours.

I feel that the greatest interest in this subject was created by what was done in the United States when a federal minimum wage was introduced in two stages. The first stage

was $1.15 an hour which came into effect on September 3, 1961, and this was followed by an increase to $1.25 an hour on September 3, 1963. This had very extensive publicity not only in the United States but in Canada and I think it did more than anything else to focus attention on the situation in Canada. I do not think there is anything to suggest that the widespread support of the federal minimum wage principle which was evident in the United States would not be forthcoming here in Canada also, especially on the part of the general working population.

Although some thousands of workers will receive wage increases directly or indirectly as a result of Bill No. C-126, which has as a consequence the establishing of a national minimum wage, I think there should be little adverse effect on the functioning of the economy generally or on most of the industries involved. I am sure that no serious employment dislocation will follow, nor would I anticipate that there would be price increases directly attributable to the minimum wage. On the contrary, I think that the resultant increase in purchasing power would stimulate production in other sectors of the country.

I might point out that it is noteworthy that almost all of the employment that will be affected in Canada is to be found in service and other domestic industries so that the effect of a minimum wage in those industries should not have any direct bearing upon Canada's international trade. I feel that this legislation is consistent with the present fair wages policy which applies to certain government contracts. In addition, as has been mentioned earlier with regard to another part of the bill, it will enable fuller implementation by Canada to I.L.O. convention No. 26 which has been ratified by Canada and which deals with the establishment of minimum wage setting machinery.

In some places in Canada the wage rates now being paid by the affected industries are below what are required by the law of the province in which they are located, and the continuation of this condition is becoming increasingly difficult to justify. This proposed minimum wage will admittedly add substantial amounts to the payroll costs of some industries, particularly banks, railways and telephone companies, but this should be kept in perspective. It would be interesting to know whether the minister has any figures on the cost that may be involved in those affected industries and services under federal jurisdiction.

Although this legislation covers a very small percentage of the labour force, I feel that its beneficial effects will be recognized by a markedly larger group and its ramifications in the future may be considerable if, as is to be expected, the provinces over a period of time bring their standards more into conformity with what this legislation will provide. The minister said in his remarks that the provinces were consulted and I remember when the ministers of labour were here in Ottawa. I am sure the minister made his intentions known to them, and if they agreed to this proposed legislation they certainly must have had in mind the consequences that would flow so far as they were concerned; and certainly they must have thought at the time they agreed to this legislation that in time they would have to bring their own legislation up to what the federal government is placing on the statute books.

From the human and more broadly social point of view the benefits of this legislation are very clear. Economically the country will gain in both the short and the long run. We welcome this legislation which comprises two new measures and the modification of two pieces of legislation now on the statute books, and I am sure it will be of benefit to the working force of our country. It will set standards up to which the provinces will try to bring their own legislation. I want to repeat again that I like this package deal respecting labour legislation which has been introduced in the house in Bill No. C-126.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we have before us a bill to be known as the Canada labour standards code. It is a good piece of legislation and we heartily welcome its introduction. I know that on occasion it has happened that an opposition member has pleaded with the government to bring in certain legislation, and then when the government at long last brings it in the opposition member rises and says that the government did not do it the right way. I do not wish to start off in that vein. Rather I wish at the start to say that we are pleased that this important piece of legislation is at long last before parliament.

There are several things about the legislation that are particularly good to which I should like to refer briefly. In the first place I agree with the Minister of Labour (Mr. MacEachen) and with the hon. member for Ontario (Mr. Starr) that it is good to have the various elements of a labour code wrapped up in one package. I was pleased to hear the Minister of Labour say when he made his

speech on second reading that it was possible that the other aspects of labour legislation might, after some amending of other bits of legislation has been effected, be put into a companion piece to be known as the Canada labour relations code. I think that if we could get all of the legislation respecting labour into one or two acts to be known as the Canada labour code, that would be a very good step for us to take.

My second observation in commendation of this legislation is that I am glad it deals with the four or five main elements which we have been asking the government to include in a federal labour code. We are talking about four or five elements, depending upon whether or not we regard hours per day and days per week as one element or two. I have asked for five things to be in a labour code and they have been: maximum number of hours per day, maximum number of days per week, a minimum wage, statutory holidays with pay and annual vacations with pay. The minister in his bill has combined the first two of those elements into one, so he talks about four elements when I talk about five. However, at least we are talking about all the major elements that had been either lacking or inadequately covered in legislation previously on the statute books.

When I say, Mr. Speaker, that we have waited a long time for this legislation, there was the fear that it might be a disappointment, that some elements would be left out. I am prepared to say, however, that most of the elements for which we had hoped are in it. There was one that was promised by the Prime Minister (Mr. Pearson) when he spoke on February 20 of this year which is not in it. I will come to that in a few minutes.

The third word of commendation I should like to offer concerning this piece of legislation relates to the fact that it does fix certain minimum standards right in the legislation itself. As the member for Ontario (Mr. Starr) has pointed out, the tendency, particularly with regard to minimum wages, in provincial legislation is to leave the minimum wage rate to be determined by order in council or by regulation. The result of its being left that way is to have different rates in different parts of a province and various other anomalies. I congratulate the minister—I congratulate him all the more if he had the battle with his colleagues to which the hon. member for Ontario referred in getting these minimum standards—on getting the various minimums actually written into the legislation itself. This goes not only for the amount determined as a minimum wage but it also goes for the determination of holidays with pay each year, to the number of statutory holidays allowed per year, the hours of work per week, and so on. I shall have something to say later about those standards in quantitative terms. But it is a forward step to have these things actually covered in the legislation as passed by parliament.

The fourth observation I want to make about this legislation, which I regard as good, is that it does seem to me to have the appearance—and I do not see anything wrong with the appearance—of giving a lead to the provinces in this field. Some of us have had the feeling, in recent months at any rate, that things have been going the other way in this country, that the federal government has been dragging its feet and allowing the provinces to determine things. Some of us have the feeling that there is a place for a strong voice at the centre, and even though this legislation will apply, legally and specifically, only to employees who come under federal labour jurisdiction, nevertheless it does give a lead to the provinces. The very fact that we have federal minimum labour standards will, I am sure, be good for labour right across Canada, including those workers who come under federal jurisdiction and those who come under provincial jurisdiction.

There are in fact, Mr. Speaker, other things that one might say about this legislation that are good, but I think I have established that I meant what I said a while ago when I indicated I do not want to be the kind of opposition member who is disappointed because the government has done what he has been asking it to do. Even so, I am sure the minister would not think I was really myself if I did not at least draw attention to the fact we have waited quite a while for this measure. I enjoyed the way in which the minister said this was an implementation, and even more so, of what the present Prime Minister promised in a speech he made in 1963. Well, 1963 is only last year. I cannot help thinking of the position the Liberal party took two years before the present minister was born; so some of us have been waiting a long while for this implementation by the Liberal party of its promise to bring in a national labour code, and of its promise in 1919 to implement in Canada the things that were called for by the international labour organization of which Canada became a member in that opening year of 1919.

Across the years many voices have been raised in parliament and throughout the

country for this kind of legislation. In another speech this afternoon I had occasion to pay tribute to those who had contributed in another field. I should like to pay tribute, as I have done on occasions in the past, even after all these years, to my distinguished predecessor and former member for Winnipeg North Centre, the late J. S. Woodsworth. He was a member of this house from 1921 to 1942. Mr. Woodsworth had many interests and he worked for the good of all the people of Canada. One of the things he fought hard for during the years he was here was the implementation of labour legislation, a national labour code. He came to this house shortly after the 1919 convention of the Liberal party. He was an idealist, a man who believed in people. He assumed that what the Liberals had promised in 1919 was somethink to ask for in 1922 and 1923. He did ask for it. It is the efforts of men like J. S. Woodsworth, the efforts of men in the trade unions and others across the years, that have finally resulted in our getting this piece of legislation that is before us. As the minister pointed out, both of the main labour centres in Canada, the Canadian Labour Congress and the confederation of national trade unions, have indicated their approval of this legislation, in principle at any rate. As we all know, it does represent, in principle, the kind of thing that labour has been seeking. As I have said, Mr. Speaker, we heartily welcome this legislation.

Now, let me comment briefly on the actual provisions to which the minister has made reference. I hope I might be pardoned if I make the kind of comment it would be expected I would make. First of all, provision has been made for a minimum wage of $1.25 per hour. I do not detract by one iota from my pleasure that the actual rate has been put in the legislation and that we are not left waiting for a decision by order in council so far as this matter is concerned. But the minister himself pointed out, as did the hon. member for Ontario, that the labour movement is now asking for a higher figure as a minimum wage rate. It is quite true that it was only at its convention this year that the Canadian Labour Congress changed its official position from $1.25 per hour to $1.50 per hour. But the fact is that the labour movement in this country has felt for some time that, conditions being what they are, $1.50 should be the minimum wage rate to be incorporated in this legislation. Therefore, though we welcome the fact that this is getting started, and while it is true that I am ready to commend the government for what it is doing, I am not going to stand up and say, "Let now thy servant depart in peace," because we have not really seen everything yet.

There are those of course who complain about minimum wage rates and argue that if they are too high they will work against the interests of the workers and the public generally, that prices will be increased, and that all sorts of dire consequences will result. All I can say is that this has always been the story. When legislation was first introduced into the parliament of the United Kingdom to try to put a stop to the practice of exploiting young boys as chimney-sweeps, it was said that that legislation would ruin the economy of England and would be to the detriment of the boys themselves. Perhaps it is a far cry from that to what we are doing now, but social legislation for the good of the workers has always had to meet this kind of argument. However, when we get social legislation that improves the conditions of the workers of the country, it improves the economy of the country and the well-being of all the people.

That part of the bill which deals with hours of work per day and the maximum number of hours per week, like the other provisions in the bill, is good, but there are one or two things to which I would like to direct the minister's attention. We are not satisfied with the amount that he has set as an overtime rate of pay, namely time and a half for the period of overtime worked, and we do not think he has yet grappled with the problem of excessive overtime work.

I did note in the minister's remarks that it is the intention of the department to study this matter as it goes along, but I suggest to him that if he is going to achieve real progress in shortening the work week for our workers—and this becomes more and more necessary as we move into more automation, more cybernetics, and more intelectronics, all of these things which will take work away from us completely—he will have to take into account that as these things come about the 40-hour week is going to seem a long period of time in the kind of economy we now have. This aspect of the minister's bill will have to be reviewed. I shall have something else to say in relation to that, but I will come back to it later.

I now move on the question of annual vacations with pay. I welcome the fact that the minister has accepted the principle of one of my bills, a principle which the hon. member for Ontario (Mr. Starr) could have

accepted away back in 1958, in that he has made the two weeks vacation with pay applicable after one year. This is good. In my view it was wrong in the first place to make workers wait for two years before getting it. We are glad to see this improvement; but again this afternoon the minister reminded us that he was a guest of the Canadian Labour Congress at its conference in Montreal last April, and he was present when the congress presented its last brief. The minister knows the position of the trade union movement. Surely he knows it urges that, just as in other areas of life, other areas of endeavour, people in many instances do get a longer vacation than two weeks, we think this should apply also to industrial workers. The Canadian Labour Congress in April this year passed a resolution urging that at the end of three years employment the annual vacation should be three weeks, and there were other requests for even longer vacations following lengthier periods of employment. But perhaps this is enough for the minister to aim at now. I beleve that, having given us a bill that provides two weeks vacation at the end of one year, he should go one further step and provide three weeks vacation after three years employment.

The statutory number of holidays provided in this bill is seven, and the minister indicated that the holidays are named in the bill. I believe the bill calls them "general holidays" instead of statutory holidays, but the minister went on to indicate that it is possible to substitute other holidays for some of these seven. That is a good provision, taking into account regional and provincial practices, but I would like to suggest that the number of holdays stipulated should be nine rather than seven. I do not base that claim, as did the hon. member for Ontario (Mr. Starr), on what we did in this house last week. After all, this house did not declare any days to be national holidays. We just made a decision that the house would not sit on certain days; but I would remind the minister that in the Civil Service Act there are nine statutory holidays provided for all civil servants. These are the seven that are in this bill, plus two others, Easter Monday and Remembrance day. I am sorry the minister has not included these two in his bill. I do not wish to make any distinction between them, but if I were making one I would say I am particularly sorry that Remembrance day is not included as a holiday in this bill.

[Mr. Knowles.]

So, Mr. Speaker, I think it will be quite clear that even to one who is pleased to see this bill, after waiting for it for a lifetime, there are some things in it which could be improved, and I hope we get some of these improvements while the bill is going through the house. We shall have the committee stage next, and there are quite a few clauses in the bill. That stage may take a little time, but I hope not too long. At least, Mr. Speaker, we will not lose any time on clause 1, and I hope as we get to the other clauses we can make improvements with respect to some of the matters I have mentioned.

I now invite the minister's attention to two or three things, apart from my references until now to specific enactments in the legislation, which I think he should look at. This afternoon he made reference to the question of safety, and said that maybe some day arrangements for the safety of workers could be included in the federal labour code. May I remind him that "some day" ought to be right now. As a matter of fact on February 20 of this year, as recorded at page 57 of *Hansard,* speaking in the debate on the address in reply to the speech from the throne, the Prime Minister (Mr. Pearson) referred to this labour code as one of the most important measures the government was going to bring before parliament this session, and in the course of describing what it was going to do he said:

> Now we will be proposing at this session a minimum wage, maximum working hours, standards for holidays and for occupational safety.

There were other references to that, both this year and last year, and I thought that was a pretty clear promise from the Prime Minister. Now we get this bill from the minister and all of the things that the Prime Minister promised on February 20 are there, except the one regarding occupational safety. I think the minister should get his helpers upstairs to work on this and incorporate it in this legislation, unless he can make the commitment that it will be introduced in some other piece of legislation this session. In line with the minister's own statement that he hoped to have this all in one package, I ask why not have it now?

If memory serves me correctly, in 1962-63 the last government prepared a piece of legislation affecting safety, so the people in the department must have this material; and if they have not got it I refer them again to the Canadian Labour Congress which can produce it for them. As I say, I hope safety

provisions will be incorporated in this piece of legislation.

Another shortcoming in the bill is that it does not extend its provisions to the Yukon and Northwest Territories. I notice that my hon. friend from the Yukon (Mr. Nielsen) was over talking to the minister, and maybe he was talking about this. I know both he and the hon. member for Northwest Territories (Mr. Rhéaume) are interested in this legislation, and I cannot see why these areas, which are so distinctly federal, should be excluded. If there were any possibility that they were to become provinces the week after next, or if there were any danger Premier Bennett was going to take them over and make them part of British Columbia, I suppose we would have to leave them aside for a while; but the likelihood is that they will continue to be territories coming under federal jurisdiction and, that being the case, I suggest that whatever labour standards we set up as a federal parliament should apply to the Yukon and Northwest Territories.

Another comment that I wish to make has to do with something to which the minister alluded, but I am afraid that is all he gave us, just an allusion—or maybe it was an illusion, if I may play on the word.

Mr. MacEachen: It was not a delusion.

Mr. Knowles: The minister says it was not a delusion. We will have to wait and see. In his speech he did face up to the fact that a sudden application of a maximum number of hours per week could have the effect of causing many workers to suffer a reduction in take-home pay. If people who are now working 46, 48, 50, 52 or 54 hours a week—and there are such—can suddenly work only 40 hours a week at the same hourly rate they will, of course, have a considerable reduction in take-home pay.

The minister said this was one of the reasons for permitting some employers to delay the implementation of this maximum hours per week section of the bill. I understand that, but I think he has to go further than just allowing time for that kind of thing; I think he has to find a way whereby, with the reduction of the number of hours these people work—especially those who are anywhere down toward the $1.25 rate—there will not be any reduction in take-home pay. I am fully aware of the problems involved in this. I can see the minister suggesting that this should be the subject of collective bargaining, and so on. But we need not go over that argument; we know the whole problem of how much has to be done by legislation and how much has to be done by collective bargaining. I suggest that when the minister is bringing in legislation for which the labour movement has been asking for half a century or more, he must see to it that the result is that it will not be seriously damaging to some people. This is one thing that some people who do come under federal labour jurisdiction are worried about.

Finally, Mr. Speaker, as something for the minister to think about pretty seriously I mention the word enforcement. He mentioned it in his speech; he said this has been taken into account and that there must be in the legislation and in any regulations passed under this act all that is necessary by way of inspection to make sure that the terms of this legislation are carried out. The minister expressed some pleasure in the relative simplicity of the bill, and we like to see legislation that is not too complex. But having in mind the amount of examination and inspection that has to go on in the provinces in connection with this kind of legislation, having in mind the problems that are involved in enforcement, I am not too sanguine that the enforcement provisions contained in this legislation are sufficient. I am prepared to give the minister time on this, but I think he must make up his mind that, having won the battle this far, having brought before parliament a piece of legislation that implements something his party promised two years before he was born, having won the battle in the cabinet, having got the provincial governments to agree that this is a good idea, he must go all the way and make sure that this legislation is going to be enforced.

Therefore, Mr. Speaker, speaking on behalf of those of us who sit in this part of the house, and speaking if I may on behalf of the trade union movement, with which I am happy to be associated, I want to say that we do regard this as a good piece of legislation; we regard it as an important day in Canada's history that this legislation is being introduced—but there is room for improvement in it. The specific things I have suggested should be carefully examined before this legislation is finally dealt with and put through the house. I hope that serious attention will be paid to the improvements I have suggested when we are dealing with the bill in committee and I hope that as a result, when we get to third reading this good bill will be an even better piece of labour legislation.

Labour Conditions

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a pleasure to say a few words in relation to Bill No. C-126, which is a bill that working people across the country have looked forward to for a long time, in that it will standardize Canada's labour code. It is not my intention to speak at length this evening, except to give my own statement of commendation to the minister, make a few remarks about the legislation and draw his attention to one or two points that go even beyond the scope of this piece of legislation. My own view is that this is a workmanlike, well drafted piece of legislation and that it will do a great deal to develop acceptable standards of employment across our country. No one can legitimately disagree with the objective of this legislation. Certainly it is desirable, it is essential, and we are grateful that it is before us.

Looking briefly at its different parts we find that it deals with four basic items of standardization. The first one relates to hours of work. I think this is commendable, and the way it endeavours to cover the entire field is likewise good, in that it sets out maximum hours of work as well. I note that in clause 7 of part I it specifically states that one day a week shall be reserved as a day of rest, and that in so far as possible that day shall be Sunday. This is good. Turning to part III, which is the section dealing with annual vacations with pay, this is likewise a very substantial and commendable part of the legislation.

In part IV the bill deals with general holidays. I would agree with the hon. member who has just spoken, that in view of the fact there are nine statutory holidays there can hardly be reason why only seven should be mentioned in this bill. I would hope that nine would be included, because I believe that certainly the workingman is entitled to those holidays as much as the rest of the public. In part V the bill deals with regulations and the administration of this measure, and in some detail goes into the specific aspects of this phase of the bill. This section of the bill is as necessary as any other part, because unless it is possible to enforce these regulations and make them effective, the bill will not really accomplish very much.

I do not intend to go into the details of this last section tonight, because we can do that a little later in the debate. I do wish to make a few remarks to the minister in relation to the second part of the bill that relates to a minimum hourly wage. I think that basically, to set a minimum hourly wage is essential. I think it is good that this legislation comes to grips with this problem and states what that minimum wage should be. But it does raise a very serious question of policy that is involved in the matter of a basic, over-all, maximum wage which is set out in this legislation to be $1.25 an hour. Everyone knows that, particularly as a result of higher rentals and higher living costs in the urban areas, the cost of living to the worker is much higher in the urban areas than it is in some of the rural areas. This is true not only in rural centres but in provinces which are basically rural and do not have the industrial economy associated with the larger urban centres.

Basic wage rates, then, should be geared to accommodate this problem. In other words, with living costs higher in certain areas of the country than in other areas, we are endeavouring through a set minimum wage to establish a minimum living standard and are going to find ourselves in trouble in those areas where living costs are so much higher than they are in others. Therefore, if a person happens to be a resident in an area where the basic standard of living costs many more dollars than a worker living in another area actually what is happening is that we are doing nothing to set a minimum living standard, rather than just a minimum wage.

Mr. Woolliams: Do you think this will force every province to adopt that?

Mr. Thompson: The hon. member for Bow River (Mr. Woolliams) refers to the different provinces and the problems which will result in those provinces through the establishment of such a wage. Again I think it has been clearly stated that it is hoped this legislation will set a standard and will be an incentive for all provinces, and not only provincial governments but municipal and local governments as well—not to mention industry—to bring their standards of pay up to something comparable and equivalent to this. Perhaps in this regard we will be working a hardship on these other governments, nevertheless I agree that in defining a standard you are setting an example for them, and certainly establishing a precedent which is nothing more than what is desired. However, I come back briefly to the fact that what is going to happen as a result of this situation I have just mentioned is that we are going further to drive our population to the urban centres, and I am not sure that this is going to meet the overall intention of this legislation. If a basic minimum wage is to be established it should also guarantee a minimum living standard.

I realize, Mr. Speaker, that there is a great deal of difficulty involved in how this can be done. Perhaps it would mean the zoning of the country into areas which would set a norm for cost of living. But certainly let us not be so optimistic as to think that just because we pass a piece of legislation here which sets a minimum wage at $1.25 an hour we have solved the problem of raising our living standard so that everyone can enjoy or be assured of that basic living standard. As I said before, $1.25 might be a very realistic basic wage in urban centres like Montreal and Toronto. It would be quite unrealistic in other areas—in the rural parts of Quebec for example, or in the maritimes. Perhaps in these areas $1 an hour would provide as satisfactory a basic minimum living standard as $1.50 would provide in urban centres such as the two largest cities in Canada. However, I understand that the government, and rightly so, wishes the code to set an example for all parts of the country, and to this end we can but give our agreement to it. But I suggest it will fail in this objective if the standards it sets are not practical ones, which is why I refer to this question of a basic living standard.

On another more general note, Mr. Speaker, I suggest a word of caution to the minister in relation to what we can hope to achieve, if such minimum wage standards are not practical, in the way of putting into the hands of workers enough dollars earned as a result of their own labours to maintain for themselves a reasonable living standard. I suggest there are three factors in our over-all economy which are required in the process of the production of wealth and fair reward. I am thinking specifically of land, capital and labour. One hundred and fifty years ago the economic situation of labour was such that it received only a very small share of the rewards from this process, and as a result the working man lived at a bare sustenance level. Gradually people began to realize that labour was in a monopoly position and that unless the owners of capital and land treated labour in a more equitable fashion they would be powerless to make any profit for themselves. So developed the trade union movement, which has done a great deal in the intervening years to raise standards of pay and improve working conditions for the working man.

Through the weapon of the strike, and through the power which labour holds in collective bargaining we find that labour has secured for itself a much more favourable position than it had not so very many years ago. But, Mr. Speaker, I suggest that labour today faces a problem which is far more serious and of much greater magnitude than ever before, a problem which makes even the gains it has made during these years entirely inadequate for the problem it is going to face in the future and which it is actually facing in many respects today.

We are now coming to the time when investment in the shape of labour saving machines is reaching such a high developed form of monopoly bargaining that labour is being jeopardized. Through the development of the machine and the automation which comes along with it we find labour is rapidly being displaced, and with its displacement the money with which labour used to earn its living is no longer available to it. Supposing we were able to enforce a $1.25 basic wage rate across Canada; or for that matter, supposing it was raised to $2.50 per hour: In the long run what is going to happen is that the worker who is not worth that much on the open market is going to be dispensed with and replaced by a machine. That is the real problem which labour faces today. This is going to aggravate the problem of the unemployable, unskilled labourer. When we are talking of basic minimum wage standards of $1.25, we are really talking about that type of labour. Already as a result of that situation this problem to which I have referred is before us to a large extent. There is a real limit on how much good a compulsory raise in basic pay can achieve for any worker, and I believe we are approaching this limit at this time. Indeed we may already have passed it.

I suggest to the minister and his departmental officials, who I know are very concerned indeed about this problem, that the question of an adequate basic wage for the less skilled citizens of this country cannot simply be solved through legislation by means of a minimum wage standard of this type. Although we expect this legislation to pass the house and become law, and while we approve of the objectives it sets and the standards it lays out before us, on the other hand we must look beyond to the problem which is much greater than that. What must be ensured is that every citizen of this country in addition to his wages receives a fair share of the unearned income which is derived from the control of land, credit or capital as a result of the productive processes of the Canadian economy. What I am asking for is of course what we have been talking

about in our party for a long time, and that is simply a policy that will obtain a fair market return for every citizen's share in the wealth of our country, whether it be in respect of the natural resources of our country, or in the development of the means of processing these resources. I believe that our working people recognize this fact. I believe our friends in the New Democratic party recognize this.

The traditional means of improving the lot of the working man through the pressure of the trade union movement and minimum wage legislation, of the kind about which we are talking, are reaching the extent of their usefulness. We must therefore look in a new direction to accomplish the revolutionary new world cybernation, because even automation does not adequately today express the progress that is being made and with which we are living at the present time.

I suggest, as I have just briefly indicated, the economic direction in which hope actually lies for the working man, which will bring to him a share of those earnings and profits that are derived from the land and capital, and the direction that must be followed so that in addition to the wages that he receives he will be able to receive that income which is necessary to give him a respectable standard of living.

There is no reason why this problem cannot be solved, but many of our newspapers and economists in Canada seem always anxious to criticize any answer to this problem. They infer that this is a problem which we cannot solve, so we should be willing to let it pass by until we are in the position of being forced to do something about it. Certainly with the tremendous wealth we have in our country, and with our past record of ingenuity and enterprise, the standard of living we can make available for every citizen in Canada is something greater than we at the present time, or that this minimum wage legislation, will provide.

Mr. Speaker, I would just like to say to the minister that I hope he will give the leadership necessary to this house, as he carries out the responsibilities of the minister of labour, so that we may work toward something which is beyond this legislation, accepting the fact that this is good in so far as it goes, but recognizing the fact that we must do something far greater than this if we are going to give a guarantee of a basic living standard to every working man in this country.

[Mr. Thompson.]

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, since the Minister of Labour (Mr. MacEachen) introduced this legislation members of the opposition have been heaping praises on him. Up to now the minister has not been criticized, but I think that in spite of the fact that he is highly regarded by all members he certainly deserves such praise. I hope that, in the present case, they will not be short-lived.

Mr. Speaker, Bill No. C-126 deals with several points designed to improve labour legislation in Canada and more especially with hours of work, minimum wage, annual vacations and holidays with pay in federal works, undertakings and businesses.

Personally, I feel that the legislation introduced by the Minister of Labour certainly augurs well for the future. That it is a good start. If legislation of this type is improved every year before long Canadian workers will enjoy better working conditions.

As to the 40-hour week for the workers, it seems to me that we have been hearing about it for years; as a matter of fact such talk must go back 35 or 40 years. In addition, over the past ten years already mention has even been made of the 36 or 32 hour week.

The minister proposes a minimum hourly wage of $1.25. A moment ago the hon. member for Winnipeg North Centre (Mr. Knowles) referred to a $1.50 hourly wage.

It must be considered, however, that 40 working hours a week, at $1.25 per hour, only adds up to $50 per week.

But $50 a week, taking into consideration the present standard of living in Canada, certainly is not very much.

Besides, if the father of a family who worked for ten or 12 years becomes unemployed he will receive an unemployment insurance benefit amounting to about $36 a week. And if he can find a part-time job, he is entitled to earn another $18, which is half the amount of the benefit he receives.

This means that by working part-time he may earn $18 a week for 20 working hours; if he already receives a benefit of $36, he will then get $54 a week, and this to work how long? About 20 hours, at an average of $2.50 an hour, while under this legislation with the 40-hour work week, at $1.25 an hour, a worker earns less money than an unemployed person might make. Not that I think the income of the unemployed is too high. Far from it, for everyone agrees that they do not get enough.

A minimum wage of $1.25 an hour is at least something; previously, there wasn't even a minimum salary. It was suggested that the minimum hourly wage should be $1.50, which would amount to $60 a week for a 40-hour week. I am convinced that at the present time, considering the cost of living, taxes, and all that is offered for purchase to the public, everyone agrees that a minimum hourly wage of $1.50 should be our aim in the immediate future.

Mr. Speaker, there is a question I should like to ask the Minister of Labour. Having read, at the beginning, to whom this bill applies, I should like the minister, if he has an opportunity to reply, to tell us whether the bill will also apply to people employed in winter works projects in the various municipalities. Such projects concern the federal government, inasmuch as it pays 50 per cent and, in many cases, 60 per cent of the salaries involved. Moreover, those projects are not meant for the benefit of one or two provinces alone but of Canada as a whole, since they are carried out all across the country.

Will such minimum wages and minimum 40 hours also apply to workers employed under the winter works program? The fact is that in many municipalities we have seen workers in such projects earning but a dollar or $1.05 an hour and who often were not working 40 hours.

Another point which I wish to raise, Mr. Speaker, is that a number of regulations quite often come under such legislation. This legislation must be enacted, but it would also be advisable, while taking care that it is strictly enforced, to see that a new bureaucratic system is not laid on employers throughout the country. It seems to me that it would be possible to have this legislation fully enforced without increasing the administrative costs of employers, such as reports or forms to be completed, inspections, etc.

Consequently, the legislation should be enforced without increasing government red tape which already bears heavily on the employer. On the other hand, Mr. Speaker, there is another point which is not mentioned in this bill and which I would like to discuss this evening, because lately we have witnessed several glaring infringements upon labour union freedom.

The purpose of Bill C-126 is to help workers engaged in certain fields, especially those directly connected with federal industries or related federal industries.

In my opinion it would be most important to include in the act a provision under which the government would see to it that crown companies or industries doing business with the government do not act in collusion to curtail the freedom of labour unions.

Take, for instance, the Canadian National Railways. There is in that company an international union which interferes with labour union freedom of a large number of its members. Members of the C.N.R. employees union are under the yoke of the regulations of their own union. When certain members of the union want to leave to join another labour union—as in the case of Montreal stevedores who wanted to quit the international stevedores union to join, as a group, the national labour federation—then the international union, in view of the contract entered into with the crown company—a company, therefore, coming under the government—has the right to suspend its employees. It is not the employer but the union that is doing it. Although labour unions put up a long fight to preserve labour union freedom stating that the workers had the right to join the union of their choice, today the unions themselves are imposing on their own members the very thing against which they have fought. It is not common to every labour union, but only to some of them, especially those directly connected with federal government industries, that is labour unions to which Bill C-126 applies.

This interference by labour union leaders with labour union freedom or with the freedom of an important group of workers does not occur in other industries at the present time but only in labour unions of crown companies, such as the C.N.R. in the province of Quebec.

I have already pointed out to the house and to the committee on railways, canals and telegraph lines that the great majority of members of the international union of railway workers were anxious to leave that union in order to join the federation of national trade unions. But when the leaders of the international union realize that workers try to change their membership, even within the same union, then with the approval of the employers, that is, the crown company and the government, they have the right to suspend those union members who are no longer allowed to work for such and such crown company or government agency.

It is surprising that this only happens in government controlled companies or com-

panies which deal directly with crown companies or the government, such as the C.N.R.

In my opinion the incidents which occurred recently in Montreal and those which repeat themselves every year at the C.N.R. should incite the Minister of Labour to include in Bill No. C-126 a provision concerning the freedom of an employee to select the union of his choice, whether he works for the federal government or a crown corporation such as the C.N.R.

It has been suggested that Bill No. C-126 should apply to longshoremen and employees of steamship lines, railways, canals, telegraph or any other transportation companies.

In the province of Quebec longshoremen are faced with a problem at present. Nearly all of them would like to change their union affiliation, but they would risk losing their jobs if they did so. This is taking place within companies which transact business directly with the federal government.

I believe that questions respecting this matter were asked of the minister in this house. He must have received a submission or a request for the protection of labourers or employees working for the government or for crown corporations.

It would be appropriate to include in Bill No. C-126 a section whereby union protection for government employees and workers, would be guaranteed, while leaving everyone free to choose his own union or organization. This is the basic claim of workers and labour unions and organizations in Canada and throughout the world. Today, if unions or union leaders working for the government or for the crown corporations act in this manner, with the blessing of the government we may foresee the day, not far distant, when those leaders of international unions will do the same in private enterprise. Then we will see the renewal of the same labour struggles that have occurred in the past. Labour had won its freedom to unionize with great difficulty. I think that before all else within federal undertakings we ought to leave to these workers the things they fought for during so many years, namely: the right to join the union of their choice and to enjoy union freedom.

I am talking more especially about the dockers and the Canadian National Railways employees in the province of Quebec.

Mr. Speaker, it seems to me that it would be rather easy for the minister to include a new clause concerning this matter.

It is all very well to deal with hours of work, minimum wages and what have you, but no mention is made of the protection of the worker employed by the government and of the freedom he ought to enjoy concerning labour union matters. This should be considered at the same time to eliminate what is happening now, and I refer to encroachments upon the rights of workers.

I should also like to refer to another point which might be of interest. We are dealing with nothing more than an embryo of a labour code in this Bill No. C-126 and, whether we like it or not, this is not a complete or comprehensive labour code as the hon. member for Winnipeg North Centre pointed out a while ago. It is but an embryo, the mere consolidation of certain points of the labour code, when what we should have is more complete labour legislation.

Another point could be included also in this embryo of a labour code. It would be the protection of crown corporations or government employees against decisions taken by some high officials.

It seems to me that the government worker, or the one employed by a crown corporation or an organization that deals with the government, who is not satisfied with a decision taken by certain high officials, should have the right of appeal to some organization, independent from the crown corporation or the department that employs him.

In this connection I would like to give an example. There are several such cases, at least within crown corporations or departments mentioned in Bill No. C-126.

I would like to quote the case of an individual who worked for the C.N.R. for a long time, some 30 years. Eleven years before his retirement he was appointed foreman, but three months before drawing his pension he was demoted and his pension reduced accordingly. Then, as he was not satisfied, he could only appeal to the officials of his company. That is precisely what happened in the case of a C.N.R. employee, a man from Jonquière who held a position of foreman or something like that for 11 years; three months before he reached the age of 65 at which time he was to retire, he was demoted to a less important position. Naturally his pension was reduced accordingly even though he had held a higher position for 11 years.

Such an employee can only appeal to his superiors, the very people who ruled against him in the first place. He cannot appeal to some independent body outside the crown corporation for which he works. In a case like

that, the officials who took the original decision are not very likely to reconsider their ruling. The higher echelon of the administration is not interested in matters pertaining to lower employees and they let intermediate officials rule on the case. Consequently, the hapless C.N.R. employee can only appeal to those who have already decided against him. His rights are infringed upon and he does not even have the consolation of saying that his case has been judged by an independent or impartial body.

Under the circumstances, would the minister consider the possibility of including in his draft labour code a provision setting up a body which would be independent of all government departments and crown corporations and to which an employee could appeal if he is not satisfied with a decision taken by his employer? In addition, he could appeal to that organization without incurring substantial or excessive costs which, in many cases, prevent him from lodging such an appeal.

Therefore, it seems to me that a provision designed to set up an independent organization could be added to Bill No. C-126, so as to improve it while providing a further guarantee to federal civil servants and crown corporation employees. This would not entail any exceptional expenditures, but would contribute to provide workers and employees coming under Bill No. C-126 with an additional guarantee in this draft labour code.

There is another point I should like to deal with for a few minutes. Those mainly concerned are people employed by the federal government, crown corporations and agencies dealing with the federal government. This means that in those fields, at least in the majority of those fields—because there are some who are not in the three classes I have mentioned—the great majority of the employees affected by this bill are labourers or employees working directly or indirectly for the government since they work for a crown corporation. Then it is the federal government itself which has direct or indirect authority over those employees. This is what one may call the civil service. The state or the government might give some protection to this official; the protection to use the language of his own choice.

We often see this abnormal situation in some places like my riding of Lapointe, Jonquière, for instance, where there is a C.N.R. warehouse or a maintenance plant—now it does not happen so often as before, one must admit that there is an improvement, at least in Jonquière, and the labourers of Jonquière and the C.N.R. employees in that centre told me that there was much inprovement —but in other cities of the province of Quebec, and even also in several other places, there is not enough respect for the language of the labourer, so that if he wants to write to a high official to make certain recommendations or apply for a job which is vacant an employee of a higher grade left or retired, he has to do it on an English form and must write in English to his superior. Inevitably, this employee, working in an almost exclusively French Canadian environment, quite often in a repair factory, did not have the opportunity or the advantage of learning to speak English to the extent he would have wished. Therefore, it is all the more difficult for him to apply for a superior position where the knowledge of a language other than his own is necessary. For him, this is a considerable handicap.

My third suggestion to the minister—and it would not be difficult to include it in the bill—is that a clause should be added to this labour code to the effect that any government employee or any employee of a crown corporation could use the language he knows best in his relations with his superiors. I would like the minister to listen to this suggestion, because in my opinion he would find it important.

It seems, Mr. Speaker, that all too often when one makes suggestions to the minister during the discussion on the motion for second reading, other members sit beside him and attempt to speak to him or engage in a conversation with him. I do not know whether it is to claim benefits for their own constituencies, but, in any event, they are perhaps disturbing the minister, and it would do him a service to ask others to cease representations to the minister for political favours, so that he may listen to the suggestions we have to make to him.

The minister admitted a moment ago that it was difficult to combine the 40-hour week with the $1.25 minimum wage; maybe so, but in my opinion it would be timely to add a clause at the beginning of the labour code, in which it would be mentioned that an employee of a crown corporation or of the federal government, in his relations with his supervisors, would be entitled to speak to him in the language that is best known to him.

It seems to me that it would then be rendering them justice; it would be substituting or replacing something which exists at

the present time and which is outdated, and should not exist, by something concrete.

All officials require that employees write to them in English rather than in the language with which the employee is more familiar. To let civil servants or crown corporation employees use one or the other of the official languages would be a protection and a guarantee of their rights and privileges, that is to be able to express themselves in the language which they know best.

I commend the minister for introducing this bill today. I am sending him a dozen roses and a bouquet of flowers, and I will send him another dozen roses and another bouquet of flowers if he wants to take into consideration the remarks we have just made in this connection, that is to try and protect the freedom of labour unions in crown corporations and in the various government departments and to set up an agency entirely free from crown corporations, or any department, to which a federal civil servant could appeal if he is not satisfied with a decision taken by a crown corporation or a department official. Employees will then be assured of impartiality and be protected against any linguistic discrimination which may exist.

Of course, Mr. Speaker, Bill No. C-126 will require improvements and the same as Rome, which was not built in one day, the labour code will not be perfect in the space of one week.

If the Minister of Labour shows as much good will as he displayed in introducing Bill No. C-126, there is every reason to believe and to hope that before long Canada will have better labour legislation.

[*Text*]

Mr. G. C. Munro (Hamilton East): Mr. Speaker, I too would like to compliment the Minister of Labour and the government for introducing this legislation. I, like many of my colleagues on this side of the house, regard it as one of the principal features of the labour program that was drafted and put forward to the Canadian people by the Liberal party prior to the 1962-63 campaigns. So, to that degree when I see a government proposal coming before the house, a proposal on all fours with the principal features of its labour platform in two elections, it cannot help but afford considerable satisfaction.

I could not help but note that when the hon. member for Winnipeg North Centre (Mr. Knowles) was speaking he referred to a time as far back as 1919 when dealing with various aspects of this measure. I hope the hon. member will forgive me when I ask him to realize that I am not so preoccupied with the past, but am more vitally concerned to see the proposals we advanced prior to the last two election campaigns being implemented in legislation. I am thoroughly satisfied that this is being done. In fact I was almost overcome by that hon. member's complimentary remarks, in many spots throughout his speech, in reference to this government. I noticed how mellow he was with respect to certain features of the bill; I am unaccustomed to hear him speak in this fashion. In fact I hope next time he comes down to Hamilton East he will talk in the same vein there.

[Mr. Grégoire.]

Mr. Knowles: Perhaps the hon. member would read the whole of my speech in Hamilton East.

Mr. Munro: As has been stated, this bill packages into one, five main elements that have been talked about for a long time. It provides for a minimum wage of $1.25 an hour, for a 40 hour week, for a limit of eight hours per day, for annual vacations of two weeks with pay and for seven statutory holidays. The annual vacation of two weeks is to be after one year's employment, and it also provides for overtime of eight hours on a 40-hour week. In fact it includes much of the suggested legislation put forward by the hon. member for Winnipeg North Centre and others, and certainly embodies completely the points that were proposed by the Prime Minister (Mr. Pearson) when he spoke in Hamilton just prior to the 1963 election.

One of the fine things we can hope for from this legislation is that it will cause pressure to be exerted on provincial legislatures to adopt similar legislation which will in effect cover the whole labour force. One of the things which contributed to the interest taken by so many members of all parties in minimum wage legislation and other minimum standards was the well known scandal in the Toronto area, which occurred in the construction trades. After the investigation which was held with respect to it, everyone was convinced that many thousands of employees were being exploited to a most considerable degree. One of the principal recommendations of the inquiring commission was that a minimum labour standard of minimum wage be adopted by the provincial government, and if this present legislation contributes to introducing this type of measure across the board we shall see the end of that kind of exploitation.

In my own city of Hamilton it is not uncommon to find construction workers, in many cases working for non-union contractors, making far less than $1.25 an hour. This legislation will help all such areas where wages are less than $1.25 an hour. We sometimes forget there are many people in urban areas who do not get $1.25 an hour, and I hope this legislation will provide a stimulus to provincial legislatures to adopt similar measures.

Mr. Nielsen: Filibuster.

Mr. Munro: It is interesting to hear the hon. member for Yukon (Mr. Nielsen) call "filibuster". I have never heard an hon. member take up more time of the house on trivialities than he. One thing which has not been emphasized is the fact that this legislation provides minimum standards. Nobody on this side of the house pretends these standards should be the set standards, and that people should not get better standards. These are minimum standards and should be regarded as such.

Recently the United States has talked much about the question of poverty, and it seems to me that the discussion of poverty is just getting under way in Canada. One principal speech was made on it by the Minister of Labour (Mr. MacEachen) some months ago.

Mr. Nielsen: You have talked it out.

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

BUSINESS OF THE HOUSE

Mr. Churchill: May I inquire from the acting house leader what the business will be for the balance of the week?

Mr. MacNaught: Mr. Speaker, tomorrow we will continue with the second reading stage of the Canada Labour (Standards) Code. When that is completed we will take the committee stage, and if the house is agreeable, third reading. Then we will proceed with the balance of the estimates of the Department of Trade and Commerce, then the balance of the estimates of the Minister of Industry, namely the remainder of the Department of Defence Production and the votes for atomic energy and the national research council. Then we will take the balance of the estimates of the Department of Labour and start a new department, the Department of Veterans Affairs.

PROCEEDINGS ON ADJOURNMENT MOTION

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

NATIONAL PARKS—BANFF—MEETING WITH COUNCIL RESPECTING MOTEL CONSTRUCTION

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, the remarks I intend to make tonight on the late show are in relation to a question which I asked the Minister of Northern Affairs and National Resources with reference to our national parks, as recorded at page 8872 of *Hansard* for Thursday last, as follows:

> I would like to direct a question to the Minister of Northern Affairs and National Resources concerning Banff. I will put my question in two parts. Is the minister prepared now to meet the elected council of Banff; and second, is he not well aware that one of our land developers of Alberta, namely Mayor Hawrelak, is the man behind the syndicate building this particular motel in that area which is zoned against this kind of development?

I have only seven minutes to deal with this question and that makes it difficult, but first I would like to refer to page 8021 of *Hansard* for Tuesday, September 15, where the minister was recorded as answering a question by the former minister of northern affairs, in reference to this very matter. He said this:

> Mr. Speaker, I will first of all disappoint the hon. member by telling him that I have no intention of resigning.

The Banff council, which is a democratic organization, elected by the people of Banff, have asked for the resignation of the minister on the grounds, first of all that he will not answer their letters, and second that he will not listen to any of the decisions they make. I would like to hear from the minister in that regard. He may have another side of the picture now, but this is exactly what his answer was:

> This is an advisory body. In the past we have thought that in these unorganized areas within our parks such bodies were good things.

Then he said:

> After the decision taken last evening—

Of course, that was asking for his resignation:

> —I am going to be more cautious about the advice—

And I do not blame him:

> —I accept from that particular body.
>
> Two of the reasons given for the action were that we were running contrary to the Oberlander report, and were running contrary to recommenda-

tions of the land use code. On checking into the matter I find that in the allocation of this particular property for a motel we are following the Oberlander report completely, and in addition we are following the advice of the body involved in respect of the zoning plans. So I cannot understand how they can be so ill-informed, that I shall be very careful about taking any advice from them in the future.

As I understand the minister's position, he has now agreed to meet this democratic organization; but he does not want to meet those people who made that suggestion—he will only meet part of the body. This is a ridiculous position to be in. I say to the minister that if he is going to meet this elected body, whether he likes them or not he should meet with them because they are an elected body in Banff. What is the problem? I mentioned the point about our great land developer and the syndicate. I refer to Mayor Hawrelak, mayor of Edmonton. There is no doubt about it, that because of relatives of his who are behind this particular man, he is behind the promotion in question.

What are they doing? They are agreeing, contrary to the recommendations of the interim development board and contrary to the advisory council, to build a motel in one of the best residential sections of Banff. I say this is contrary to the spirit of the National Parks Act, which is really to preserve the parks in their natural and national beauty. I put this to the minister first of all; I ask him to check tonight—and I am most serious about this—order in council No. 1,149 of 1956. I see the minister making a note of this. He will find this order in council most interesting. It zoned this area for residential purposes, or as a dual residential area, and is against the building of a motel or hotel in this area. This is one of the most beautiful spots in Banff national park; second, it is in the best residential area of those people who are serving the tourists. I say that the development in question is against the law and I would ask the minister to check into this question very carefully.

Mr. Nielsen: Wasn't Hawrelak going to be a cabinet minister?

Mr. Woolliams: He was, but Mr. Justice Porter, who has great vision and is one of the better members of the judiciary, unseated him in another capacity. But I do not want to be sidetracked. The minister, in approving this development, is in breach of the spirit of the National Parks Act and the Oberlander report. I ask the minister to look at pages 48 to 52 of the Oberlander report. He says that in fact this is not against the Oberlander report. First of all I would point out that it is against an order in council, and if there is a zoning bylaw contained in an order in council passed by the former Liberal government, I do not know how the minister can usurp that law.

I say that although there is a chart showing this area as a parking area and possibly a motel area, it is because there is a motel behind the area and it is not really zoned for motels. Page 48 of the Oberlander report recommends that this area be kept in its present state, in its beautiful residential state, but particularly in its beautiful state. Therefore, Mr. Speaker, I say there is something behind this plan. I would not make this charge against the minister because I am not that kind of fellow, but the advisory council did suggest there is something bad in this connection, that something smells in the state of Denmark, or there is some patronage. I am not saying this to the minister, but I am saying that there is so much area in the townsite of Banff and so much area in the whole of the national park, which is as big as the province of Prince Edward Island, that they could build this motel in a place other than that approved by the minister, which is contrary to the recommendations of the interim development board. On the board are two of the top officials, Mr. Strong and Mr. Dempster. When you have had a submission from a democratic organization and from the people of Banff which is contrary to the law then there is something wrong.

I am not going to discuss tonight the elected body in Banff. They are a body which demanded your resignation, sir, because they said this was patronage and that there was a pay-off. I do not know about that but I do say, let us be reasonable. They are tearing down an old building in that particular spot now. Let us leave it in its natural state. There are lots of other areas in the townsite of Banff. Why can there not be a trade or a compromise where even this great land developer of ours can build? The last time he made half a million dollars out of a similar project.

Mr. Deputy Speaker: Order. The hon. member's time has expired.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think the question addressed to me by the hon. member is divided into two parts. The first is: Am I now prepared to meet the advisory committee? Under date October 9 I wrote them and I do not think I could do

better than read at this time a portion of this letter:

> In my opinion the improvement to the Bow View Lodge site was entirely necessary to add to the range of accommodation available in the Banff townsite.
>
> Until this episode I have valued the advice of the Banff advisory council and my good relationship with its members. In national park development the advice of those whose income is derived from the parks is naturally to be valued. It is also necessary to take the advice of those who seek the enjoyment of the national parks as visitors and as part of the Canadian public. The balancing of these interests is never an easy task and it is made more difficult where conclusion drawing appears to be based on suspicion and supposition.
>
> It is a matter of the deepest regret to me that statements have been attributed to certain members of the council charging me or my officials with decisions motivated for reasons of patronage, or I believe the word used was "pay off". Such statements are absolutely untrue and beneath contempt. If the members of council have any doubt then I invite them to take the necessary legal proceedings to have the matter determined. In the alternative I request council to repudiate such allegations and any members of council responsible for them.
>
> I have always been willing to speak to or meet with the Banff advisory council or any of the members when meetings could reasonably be arranged. On Monday, October 5, you were approached by an official of my department in Banff with the advice that I would be prepared to meet the Banff advisory council during the afternoon of Saturday, October 24, in Calgary, at which day I would be visiting that city. I am advised that in reply you stated that the council would not be in a position to decide until October 19 whether it would meet with me. If this attitude of yourself is not correctly reported, then I would be obliged to have your statement.
>
> I am still prepared to see the members of the Banff advisory council in Calgary on the afternoon of October 24 but so far as I am concerned it will be the last meeting which I hold with the present or any future Banff advisory council until I have received their decision on my request from council concerning its collective responsibility for the statements alleging political patronage and "pay off" which I have mentioned.
>
> I trust that my position is now clear and I look forward to having your response in due course.

Mr. Woolliams: Would you answer the question, please?

Mr. Deputy Speaker: Order.

Mr. Laing: Let me deal with the second question. The hon. member has suggested that Mayor Hawrelak of Edmonton is a participant in this project. I have no knowledge whether he is or is not. I would suggest to the hon. member that were he inquisitive enough he would probably have had a better opportunity than I to know. This lease was purchased in the days when he was supporting a government which sat on the treasury benches over here.

Mr. Woolliams: Has it not been assigned since? Let us be fair about it.

Mr. Laing: I know nothing of an assignment at all.

Mr. Woolliams: Then do not make statements like that if you do not know.

Mr. Laing: In respect of Mayor Hawrelak I would say this.

Mr. Woolliams: He will be in the cabinet soon, I know.

Mr. Laing: Mr. Speaker, I should like a little extra time in view of the interruptions.

I want to tell my hon. friend this. If an application were made to us for a building in Banff the determination would not be made by us depending on whether Mr. Hawrelak were an applicant or not. I was approached by Mr. Hawrelak last year, in association with a number of other gentlemen, in connection with a project in Banff which we turned down, and that is all I know about him in Banff. Whether he is associated with this project or not I do not know. I am not interested in the general attempt of my hon. friend to use the tar brush around the edges. Projects put before us will be dealt with on their merits and will have no relationship to the individuals who make application.

Mr. Deputy Speaker: Order. The minister's time has expired.

TRANSPORTATION—QUEBEC—PROPOSED REDUCTION IN C.P.R. TRAIN SERVICE

[*Translation*]

Mr. Gérard Girouard (Labelle): Mr. Speaker, I apologize for keeping you late tonight, but I believe that this matter is worthwhile.

On Friday last I asked the following question:

> Mr. Speaker, I had a question for the Minister of Transport but, in his absence, I shall put it to the acting minister.
>
> Could the minister ask the board of transport commissioners to intervene without delay with the C.P.R. and have the company reconsider its decision to cut to three trains per week its service between Montreal and Mont Laurier and to operate fewer trains between Ottawa and Montreal, on the north shore of the Ottawa river, that is on the Quebec side?
>
> Such a change will be highly prejudicial to workers, students and business people in general.
>
> Second, could the minister not convince the government that it would be better to give a grant to the C.P.R., if necessary, so as not to imperil any further the economy of my riding which is already considered as a designated area?

Mr. Speaker asked that this question be put on the order paper.

Without criticizing the Speaker's decision, I must point out that if any question ever was urgent, this one is. Indeed, the C.P.R. intends to put its new service into effect within a fortnight.

If topics such as these do not seem as dramatic as international matters, the fact remains that we, members of parliament, were elected in a given riding, by certain electors and that we are the only political voice in parliament when such problems are raised which are of deep concern to the people.

There is no need of a one hour discussion to make the house aware of the facts.

In the case of the Ottawa-Montreal line, the C.P.R. had two round trips on the Quebec shore.

Hundreds of workers used to take those trains to their work and back. Hundreds of students used that transportation to travel either to the capital city or to the metropolis. Hundreds of businessmen and travellers also used those facilities.

I might add that the area which is most affected, the one extending from Buckingham to Lachute, is an area where, because of the magnificent lakes and forests, the tourist industry is highly developed.

But it so happens that the C.P.R. has just cut the number of its trains by half. Why? For reasons of economy, of course, despite all the evidence to the contrary.

The situation is even worse in Mont Laurier where the C.P.R. has cut down its trains from Montreal to three a week.

Mont Laurier, Mr. Chairman, is a tourist's paradise.

What kind of a policy is this which allows a private company, enjoying privileges almost equal to those of a crown corporation, to operate a system as long as it is a good paying proposition and to discontinue its services the moment it cannot make enough profits?

After all, the C.P.R. operates a public service, and the board of transport commissioners must immediately try to prevent a hopeless situation.

As I pointed out last Friday, half of my constituency is a designated area.

It is useless to speak about an economic recovery when the government knowingly allows the economy to deteriorate.

I have received letters, telegrams, telephone calls and resolutions from municipal councils. I know that my colleagues from Terrebonne (Mr. Cadieux) and from Argenteuil-Deux-Montagnes (Mr. Drouin) have also received some. I know that the Minister of Transport is aware of those things. Then, what is the government waiting for to act quickly before it is too late?

I am calling for immediate action on behalf of my constituents and those of neighbouring ridings.

[*Text*]

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, the Canadian Pacific Railway Company notified the board of transport commissioners on September 21, 1964, of their intention to discontinue certain passenger train services effective October 25, 1964. Notices to this effect were posted in all railway stations served by the trains affected. The changes involve a reduction in the existing service between Ottawa and Montreal via the north shore and between Montreal and Mont Laurier. The changes do not involve the complete abandonment of passenger train service on either of the runs and consequently the railway company is under no obligation to secure the approval of the board of transport commissioners before making adjustments.

Because of the volume and substance of objections filed with the board with respect to the Ottawa-Montreal service, the railway company was directed by the board on October 9 to continue the existing service, pending a hearing to determine whether the operation of such trains should be continued or be allowed to be discontinued.

Up to the present time only one complaint has reached the board with respect to the Montreal-Mont Laurier service. The C.P.R. is being requested to file a submission by way of answer to this complaint and in the meantime no action has been taken to interfere with the proposed reduction of passenger train service on this latter run.

I might add that the representations made by the hon. member who has just spoken have also been drawn to the board's attention. Following investigation of complaints arising from the changes, the board has authority to ask the railway company concerned to continue the service or, if the service has been discontinued, to restore the service if such action is considered necessary in the public interest.

NATURAL RESOURCES—MAGAZINE ARTICLE ALLEGING PLUNDERING BY U.S. SPORTSMEN

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, on Friday last I asked the Minister

of Northern Affairs and National Resources the following question:

> Would the minister inform the house what action he has taken to deal with this latest and graphic example of the plundering of Canadian natural resources by our United States neighbours?

My question was based on an article that appeared in *Maclean's* magazine of October 17, which was brought to my attention by two or three people who are very interested in this subject, and as a person who has been a practising conservationist for over 50 years I said I would bring the matter to the attention of the minister. This article is rather disturbing. It is entitled: "How Wealthy Sportsmen Are Plundering Our Last Frontier". It goes on to say:

> Right now, Tree river is the hottest spot in North America for the spare no expense angler. It's also the most fiercely abused. As such, it's a shameful symbol of what we're allowing to happen to our fastest growing Arctic industry.

The article is very interesting indeed and I wish to quote a paragraph or two which particularly concerned the people who brought this matter to my attention. On page 40 of the magazine I read the following:

> Last June, Donald Snowden, then chief of northern affairs' industrial division, tried to rescue sport fishing in the territories from its own success. He called meetings in Edmonton, among camp operators, bush pilots and fisheries experts, to discuss conservation.

The article also contains these words:

> How soon will time run out for the char in the Tree river? The fisheries research board said last spring that, the way things were going up till then, there would be no more char in the Tree by the end of next summer. And an anonymous northern affairs official reported to his superiors that unless some order and some restraint were introduced to sport fishing throughout the territories, "We can expect a peak of frantic, competitive development passing from area to area and from lake to lake and from river to river with little left in its wake except abandoned buildings and campsites."

There are other paragraphs in this article in a similar vein. In any event, after reading it through very carefully, Mr. Speaker, I am of the opinion that this is a question that should receive the serious consideration of the minister. I ask him these two particular questions: I presume that as a result of my questions on Friday he has read the article and made some inquiries. My questions are, first, is this article substantially correct in its outline of the situation to which I have referred? If so, what action is the minister taking to protect our valuable fish resources in the north?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I have a copy of the article here. As my hon. friend has said, it starts on page 19 and goes over to page 38. I want to remind him that this is a fish story. As is the case with most fish stories, a certain amount of exaggeration is traditional and even permissible. Since we are endeavouring to develop the tourist business in the Northwest Territories, I am not too sad about it. The article relates to one small area, the Tree river which is a river flowing into the Great Bear lake, an area of about 11,000 square miles. Due to the means of transport by which fishermen can go in, the fishing camps are concentrated. One of the camps sustains 55 anglers at a time, so there is a tendency to fish out that particular area.

Dealing with the Tree area, I want to assure the hon. member that this was brought to my attention last January when I was in the United States. I picked up a very beautiful piece of literature showing a number of United States citizens holding up large fish they had obtained from Great Slave lake. Across the bottom of it was written, "We guarantee you 300 pounds of fish a day." I took this matter up with my officers at once. I am assured by them that most of the things that are written here are now past tense, because the operators themselves are fully conscious of what this would mean to them in the end. They have gotten together. In addition, the R.C.M.P. have decided to reduce the take of char out of the Tree river down to two tons for their dogs. They have been taking more than this. I can assure the hon. member, therefore, we are aware of the situation.

The control of the fishery is in the hands of the fisheries department. The R.C.M.P. and our wardens, in these very remote areas are in control of the management of the resources. The article relates to one or two very localized areas. We think and hope there are many fishing areas on Great Bear lake and we look toward a tremendous increase in tourism in that area. I can assure my hon. friend that the article is a little bit overdone, but from our point of view probably designed to attract a large number of visitors next year. A number of Canadians of course are going in. This is expensive fishing. I believe it costs $760 or $900 round trip from Edmonton, with seven days of fishing. We are try-

ing to develop this. The operators themselves of course realize that if this is going to be a permanent industry, the fish must be sustained. I can assure him our officers, the R.C.M.P. and the operators themselves are all conscious of the situation, and very largely the matters related in the article are in the past tense and are under control.

Motion agreed to and the house adjourned at 10.26 p.m.

HOUSE OF COMMONS

Wednesday, October 14, 1964

The house met at 2.30 p.m.

PRIVILEGE

MR. DIEFENBAKER—PROPOSED ADDRESS TO HER MAJESTY FOLLOWING ROYAL VISIT

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I rise on a question of privilege affecting the rights and prerogatives of parliament. It has to do with the visit, which concluded yesterday, of Her Majesty Queen Elizabeth II to her Canadian realm.

As hon. members know, as Queen of Canada she is an integral part of parliament. Misinterpretations have arisen as the result of untoward events which took place during the course of that visit. Some of these events have produced a strong reaction among her Canadian subjects as a whole. Furthermore, the image of Canada in the commonwealth and abroad could be seriously impaired unless this house and the other place were to speak out with the authority of parliament.

I believe that the time has come for the parliamentary representatives to speak for Canada and the Canadian people. The only way in which the views of Canadians can be expressed is through parliament. Instead of approaching this matter in an acrimonious manner I raise it as the leader of Her Majesty's loyal opposition, and I hope to have the support of the house for the suggestion I am about to make.

The Prime Minister is absent today on official duties. If that were not so I would ask that the suggestion I am about to make be brought before the house today. However, that being impossible, as it would constitute a discourtesy to him, which I am not desirous of bringing about, I suggest that tomorrow the Prime Minister have placed before both houses of parliament an humble address to convey to Her Majesty, the Queen of Canada, the appreciation of the Canadian people for her visit, and to assure her of the deep loyalty, affection, love and devotion of all Canadians to her and the throne.

Some hon. Members: Hear, hear.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank my right hon. friend for noting the fact that the Prime Minister is engaged in the closing session of the conference with the provinces and on that account is not able to be in his seat today. My right hon. friend may be assured at once, notwithstanding the necessary absence of the Prime Minister, that it would be his strongest wish that both houses of parliament take the particular suggestion made as yet another way of indicating, what is clearly an established fact, the loyalty of this parliament and this nation to Her Majesty the Queen.

On October 13 Her Majesty the Queen sent the following message to His Excellency the Governor General:

> Please convey my warm thanks and those of my husband to the Prime Minister, government and people of Canada for the kind and loyal welcome which they have given us.
>
> We are both very glad to have been able to be with you at the time when you are commemorating the first meetings of the Fathers of Confederation and I send you my deep and sincere congratulations on all that has been achieved since those days, together with my heartfelt prayers and good wishes for the continued happiness and prosperity of all who dwell in this great country.
>
> In thanking M^me^ Vanier and yourself for your gracious hospitality in the capital I would ask you also to express our sincere appreciation to all those whose skill and care contributed to the admirable arrangements which were made for all parts of our program.
>
> Elizabeth R.

The Governor General replied to Her Majesty in these terms:

> On behalf of the Canadian people, I wish to express warmest thanks for Your Majesty's gracious message which has been conveyed to the Prime Minister, the government and the people of Canada. It is deeply appreciated by all.
>
> The presence of Your Majesty and of His Royal Highness amongst us has strengthened our admiration and affection for, and pride in, our sovereign.
>
> The kind words concerning my wife and me and all those associated with the arrangements for Your Majesty's stay are greatly prized.
>
> Georges P. Vanier

The Prime Minister thought it desirable, in addition to these memorable messages, to send one to Right Hon. Sir Michael Adeane, G.C.V.O., K.C.B., private secretary to the Queen, London, England, on October 13, 1964, in these terms:

> I would be grateful if you would convey this message to Her Majesty the Queen. "As Your

Majesty returns to Britain I send you the affectionate thanks of the Canadian government for your gracious visit. May God bless Your Majesty, your husband and your children."

Sincerely
Lester B. Pearson
Prime Minister of Canada

Her Majesty the Queen graciously replied in these terms:

Buckingham Palace,
London.

The Prime Minister,
Ottawa.

I was delighted to receive your kind message. Please convey my heartfelt thanks to your colleagues in the Canadian government for their loyal good wishes.

Elizabeth R.

In putting these telegrams on our records, Mr. Speaker, I am sure I echo what all of us in parliament feel, and what Canadians generally feel, when I say with sincerity, pride and conviction "God Save the Queen".

Some hon. Members: Hear, hear.

Mr. D. M. Fisher (Port Arthur): It is unclear, Mr. Speaker, from the very dignified response given by the Secretary of State for External Affairs, whether the government is going to take up the humble address suggested by the Leader of the Opposition. However, I should like to express, for our party, our willingness to support such an address, and also to express our appreciation for the sentiments that were read to us as expressed by the Prime Minister and other representatives of this country.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I just wish to support the proposal that has been made by the Leader of the Opposition, and to express our gratitude to the Governor General and the Prime Minister for the messages that have already been sent and for the gracious words that have been received from Her Majesty the Queen.

I believe it would be very appropriate for this house to express our appreciation for the presence of our Queen over this past week. Unfortunately it seems as if there is a certain element in Canada that would use her visit to further divide our country, and to question at this time the advisability of whether she should have come here. I think all of us in this house appreciate in a particular way what she has done as our Queen, in being in our midst, and the tremendous influence for good that her presence has been; the wise words she has spoken and the very gracious and humane attitude she has maintained toward our citizens.

[Mr. Martin (Essex East).]

It would support the general feeling, I believe, of the Canadian people and certainly fulfil our responsibilities in this house if, in addition to those messages that have been sent, a direct message were sent to Her Majesty from this house. Therefore I commend the Leader of the Opposition for having brought forward this suggestion at this time. We give him our complete support in it and urge the government to take the action suggested.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Her Majesty the Queen of Canada came to visit us. We saw her, of course, and she has left.

I trust that despite a certain amount of nervous tension in Quebec she will have appreciated the splendid receptions given in her honour.

As I am from Quebec I should like to draw attention to the logical comments she made before the legislature of our province, and I quote:

The dialogue remains open and it will tend to unite men of goodwill. True patriotism does not exclude understanding the patriotism of others.

This means that our French Canadian or Quebec patriotism must not blind us to the point where we no longer recognize the rights and the reasons of each and everyone.

Her Majesty being the guest of the Quebec government, no one had the right to insult her, even under the guise of separatism. The freedom or licence demanded by some of our fellow citizens would surely be the last things they would grant to others if the were in power. Now, Mr. Speaker, it is the Quebec government which holds power in our province. If the people are not satisfied with it they will change it without resorting to anarchy, blackmail, threats or bloody revolution.

The visits of Her Majesty to Canada never shamed any Canadian. On the contrary, when I heard her speak to all Canadians in perfect French, on Saturday morning, I felt sure she was a great comfort to most French Canadians in Quebec.

The night before last Their Excellencies the Governor General and Mrs. Vanier were hosts at a dinner which I attended since I had been invited. Thanks to the graciousness of Mrs. Vanier, I had the chance to speak with Her Majesty in French. That convinced me that our Queen was right when she stated in Quebec city, last Saturday:

A dynamic state must not be afraid of revising its political philosophy. There is nothing surprising

about the fact that a protocol set up a century ago no longer meets all the problems of today.

Mr. Speaker, who would dare hold the Queen responsible for the inertia of many Canadians of various origins? Her Majesty is, for us, the symbol of a way of life which enabled us to grow by our own means and according to our own wishes. There is much to be done and we are free to act. It is neither the empire nor royalty which prevent the Canadian people from achieving security with freedom for each and every one of our fellow citizens. Let us not hold others responsible for what we have had neither the courage nor the decency to do. Let us assume our responsibilities, and, above all else, let us find the necessary solutions to the problems which arise everywhere. If it be true that unity is strength, it is time for us to achieve it in mutual respect.

And we French Canadians of the province of Quebec have undeniable right, but in addition to those rights which we claim, we also have duties to fulfil toward ourselves and toward others. It is not in anarchy that we will succeed, but in mutual trust and understanding.

Those were, Mr. Speaker, the few ideas I wanted to express at the close of a royal visit which, I believe, will serve to let reason enter in circles where everything seems so confused.

I give my unqualified support to the suggestion made by the right hon. Leader of the Opposition (Mr. Diefenbaker) when he said that the incidents which occurred in certain places must never be allowed to happen again anywhere in Canada, our country which we should all love as much as we can.

[*Text*]

Mr. Martin (Essex East): Mr. Speaker, after these various declarations I simply want to state that a resolution of the kind proposed to which we can all readily extend our strongest support, will be prepared. I think it should be proposed by the Prime Minister, supported of course by the Leader of the Opposition and the house. A resolution in these terms, expressing our loyalty and our gratitude to Her Majesty the Queen, will be the first order of business tomorrow.

MR. HAYS—CLARIFICATION OF STATEMENTS RESPECTING TURKEY IMPORTS

Hon. Harry W. Hays (Minister of Agriculture): I wish to raise a question of personal privilege. Yesterday the hon. member for Wellington South suggested that I had misled the house in certain statements I made about the turkey situation. I replied at the time that I had no intention of misleading the house about any situation, and I would like to repeat that today. But since on reviewing the statements the hon. member referred to there does seem to be some grounds for misunderstanding, I should like to place on record the complete situation so that perhaps this matter can be cleared up to everyone's satisfaction.

On September 10, in reply to a question by the hon. member for Humboldt-Melfort-Tisdale, I stated as recorded on page 7826 of *Hansard*:

> In the last two weeks there have been no importations of turkeys from the United States.

This was based on the information available to me on that day. But as hon. members may realize by now, the turkey picture can change pretty fast, and I now find that later information indicated the original information was partly in error. My department publishes a weekly poultry market report. This report is issued every Friday and contains information up to the Saturday of the previous week. Since September 10 was a Thursday, the information on imports available at that time covered the weeks ending August 29 and August 22.

For these two weeks there were no imports of eviscerated turkeys. Up to that time it had not been the practice to report live turkey imports, because until the first of this year essentially the only live turkeys coming into Canada were poults to be raised by our own producers. But at about that time officials of my department were reviewing customs import records and it was determined that in fact during the week ending August 22, 12,474 pounds of live turkeys, on an eviscerated weight basis, had come into Canada. In the same way it was determined that a total of 22,800 pounds of live turkeys were imported for the week ending August 29.

Thus my statement of September 10, while true as far as eviscerated turkeys were concerned and as far as the information available to me that day was concerned, was in error in respect to imports of live birds. I apologize to the house for this error which, as I have pointed out, arose from the fact that my department's system of recording turkey imports was being revised.

In the interests of precision I should like to refer briefly to one other statement I made on the turkey question. Yesterday, speaking from memory, I said I had written three letters to the Canadian turkey federation. I now find that two of these, one dated September 23 and the other October 2, were to the

secretary manager of the federation. The third, dated October 9, was to the federation president.

In a telegram and two letters I have now received from Canadian turkey federation representatives a question was raised as to the current level of protection on live turkeys in relation to protection on the eviscerated product. This question is now under consideration by the government in the light of Canada's vital interest in maintaining as unhampered access as possible to existing and potential markets beyond our borders, and in the light of our obligations under the GATT. When a decision has been reached it will be announced later in the usual way.

[*Later:*]

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a brief question I should like to direct to the Minister of Agriculture in regard to the statement he made on motions. I should like to ask the minister whether he has received a letter from the Canadian turkey federation dated October 8, 1964 and, if so, would he table it?

Hon. Harry W. Hays (Minister of Agriculture): I will be glad to look into this, Mr. Speaker.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MARINE INDUSTRIES LTD.—GOVERNMENT CONTRACTS

Question No. 1,810—**Mr. Muir (Cape Breton North and Victoria):**

1. Is Marine Industries Limited being retained by the federal government to purchase vessels for the government outside of Canada and, if so, what are the names and addresses of the individuals comprising the board of directors of Marine Industries Limited, Sorel, Quebec?
2. What is the total amount of contracts awarded this firm by the federal government in the fiscal year 1963-64 and to date for the fiscal year 1964-65?

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

2. In so far as the Department of Transport is concerned: (a) fiscal year 1963-64, $1,665,-381.32; (b) fiscal year 1964-65, from April 1, 1964 to August 31, 1964, $14,360,050.82.

In so far as the Department of Public Works is concerned:

While there have been no contracts for purchase of vessels the following contracts for dredging have been awarded to Marine Industries Ltd.

1963-64 dredging, Nicolet River, P.Q., $10,-672.74, completed; 1963-64 dredging, Sorel, P.Q., $22,374.24, completed, 1964-65 dredging, Ste Angele de Laval, P.Q., $27,320.

In so far as the Department of Defence Production is concerned:

The total amount of contracts awarded by the Department of Defence Production was $610,726.49 in 1963-64 and $2,341 in the 1964-65 fiscal year to date.

CONTENTS OF BOX IN R.C.M.P. CAR

Question No. 1,827—**Mr. Orlikow:**

1. Did three men using a green sedan owned by the R.C.M.P. bearing licence number 722-41-2, carry a metal container into 50 Walton street, Toronto on June 23, 1964 and, if so, what was contained in the box?
2. Were the contents of the box for the purpose of recording or listening to telephone conversations?

Hon. Guy Favreau (Minister of Justice): With reference to part 1 of question 1,827, I would like to state that in answer to question 1,494, item 2, asked by Mr. Orlikow on July 13, Mr. Macdonald, my parliamentary assistant, answered on August 26 last and stated that the duties of the R.C.M.P. on the date of June 23 to which he refers, were of a confidential nature and which is not in the public interest to disclose, and my answer to the present question must be the same as the one referred to above.

In answer to the second part of question 1,827 by Mr. Orlikow, the three men did not carry any equipment designed or intended for recording or listening to telephone conversations.

STUDY OF EFFECTS OF INDUSTRIAL NOISE

Question No. 1,841—**Mr. Howe (Hamilton South):**

1. Is the government conducting or supporting research into the effects on humans of industrial noise and, if so, at which institutions and under whose direction is such research being conducted?
2. What is the specific object of each study presently under way?
3. What is the annual cost to the government of such research?

Hon. Maurice Lamontagne (Secretary of State): 1. Under the national health grants program the Department of National Health and Welfare is providing approximately $10,500 this year in support of research into perceptive deafness at the hard of hearing and vestibular clinic, St. Michael's hospital, Toronto, under the direction of Dr. J. A. Sullivan.

2. To study the cures of perceptive deafness and various testing methods.

3. See answer 1 above.

DO NOT SHIP LIST—CARMEL DEGUIRE

Question No. 1,859—**Mr. Orlikow:**

1. Has the board of trustees of the maritime transportation unions acknowledged the presence of the name of Mr. Carmel Deguire on the do not ship list filed with the Norris commission (exhibit O-269).

2. Did the board of trustees of the maritime transportation unions approve of the recommendation of the maritime appeals board that Mr. Deguire's application for reinstatement in the S.I.U. be rejected on the grounds that there was no record with the board of trustees that Mr. Deguire was a member of the S.I.U. and was not on the do not ship list to the knowledge of the S.I.U. and, if so, for what reasons?

Hon. A. J. MacEachen (Minister of Labour): 1. The board of trustees of the maritime transportation unions acknowledges the presence of the name Camille Deguire on exhibit O-269 filed with the Norris commission, which exhibit bears date of 28 day of August, 1950. This may be the same person referred to as Carmel Deguire.

2. No. The board of trustees does not in any way approve or disapprove of the rulings of the maritime appeals board, which is an independent arbitral tribunal, and it would therefore be improper for the board of trustees to interfere. Upon inquiring, the board of trustees was advised by the maritime appeals board that no person named Deguire had applied to have his case heard before the maritime appeals board.

DO NOT SHIP LIST—KEN LEWIS

Question No. 1,860—**Mr. Orlikow:**

1. Has the board of trustees of the maritime transportation unions acknowledged the presence of the name of Ken Lewis on the do not ship list filed with the Norris commission (exhibit O-269).

2. Did the board of trustees of the maritime transportation unions approve of the recommendation of the maritime appeals board that Mr. Lewis' application for reinstatement in the S.I.U. be rejected on the grounds that there was no record with the board of trustees that Mr. Lewis was a member of the S.I.U. and was not on the do not ship list to the knowledge of the S.I.U. and, if so, for what reasons?

Hon. A. J. MacEachen (Minister of Labour): 1. The board of trustees of the maritime transportation unions acknowledges the presence of the name Ken Lewis on exhibit O-269 filed with the Norris commission, which exhibit bears date the 28th day of August, 1950.

2. No. The board of trustees does not in any way approve or disapprove of the rulings of the maritime appeals board, which is an independent arbitral tribunal, and it would therefore be improper for the board of trustees to interfere. Upon inquiring, the board of trustees was advised by the maritime appeals board that no person named Ken Lewis had applied to have his case heard by the maritime appeals board.

EVIDENCE OF MEMBERSHIP IN S.I.U.

Question No. 1,861—**Mr. Orlikow:**

1. Does the board of trustees of the maritime transportation unions consider the do not ship list filed with the Norris commission and attested to as correct by Mr. Hal Banks sufficient evidence of membership of persons mentioned therein in the S.I.U.?

2. Has the board of trustees of the maritime transportation unions accepted the report of the maritime appeals board which appeared in the August 14, 1964 issue of the *Canadian Sailor* which rejects the appeals of Max Anderson, Armand Clermont and John McNeill on the grounds that they could not produce evidence of former membership in the S.I.U. and, if so, for what reason?

3. Which officer or officers of the S.I.U. rule on past membership in the S.I.U. of Canada?

Hon. A. J. MacEachen (Minister of Labour): 1. The board of trustees does not advise the maritime appeals board on questions of evidence, but the board of trustees is of the opinion that the presence of a specific name on a list described as a do not ship list would probably not by itself be sufficient evidence of past membership in the S.I.U. However, each case must depend on its own facts.

2. The board of trustees of the maritime transportation unions neithers accepts nor rejects reports of the maritime appeals board, has no jurisdiction to do so, and has not done so in the cases cited.

3. This is a matter of internal management within the union, subject to appeal to the maritime appeals board and the courts.

MAIL SERVICE, R.R. NO. 2, AMHERST, N.S.

Question No. 1,865—**Mr. Coates:**

Have complaints been received from the patrons of R.R. No. 2, Amherst, N.S., and R.R. No. 1, Tidnish, N.S., with regard to the delays that will be occasioned with outgoing mail as a result of the change in the starting point of R.R. No. 2, Amherst, and, if so, how many?

Hon. J. R. Nicholson (Postmaster General): A petition bearing 102 names has been received protesting against a change in Amherst rural route No. 2. There is no record of any complaints from the patrons of Tidnish post office or Tidnish rural route No. 1. However, Tidnish is served as a way office on Amherst R.R. No. 2.

In recent years with the increasing traffic density, the Post Office Department has followed the policy of having rural routes

commence from and finish at the distributing post office and having the rural mail boxes erected on the right-hand side of the road according to the courier's line of travel. This policy permits the courier to collect the outgoing mail at the same time as he delivers the incoming mail. It eliminates the necessity of crossing the highway in the path of traffic to reach mail boxes on the other side of the road. It permits the courier to deposit any mail that could not be delivered, such as parcels, registers and C.O.D. items, at the post office on the completion of his trip.

Where routes start at the outer end, the courier has to stop at the boxes on the inward trip to collect mail and again on the outward trip to deliver mail. In order to collect mail on his way to the post office, he has to cross traffic to the opposite side of the road. On completion of his trip at the outer end, he is responsible for the safekeeping of any undelivered mail at his residence.

Amherst R.R. No. 2 is one that has operated with the outer end as the starting point. Steps therefore were taken to advertise this mail service with the distributing post office as the starting point in order to reduce traffic hazards and gain the operational advantages mentioned above. This is the policy for all routes which do not start from the post office. According to the studies that have been made, a change in the starting point on Amherst R.R. No. 2 will have very little effect on mail originating on the rural route for delivery elsewhere in the country.

*COMMUNICATIONS SUPPORTING FLAG PLEBISCITE OR RED ENSIGN

Question No. 1,875—**Mr. Coates:**

What is the total number of names attached to letters, telegrams and other types of communications received by all departments of government, including the Prime Minister's office, urging the calling of a national plebiscite on the flag question, or the retention of the Canadian red ensign as Canada's national flag?

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): The answer to this question is 176,543.

SURVEILLANCE OF POSTAL EMPLOYEES

Question No. 1,890—**Mr. Orlikow:**

1. When did the Post Office Department reach the decision to establish peepholes through which postal employees could be observed while working?

2. When did the Post Office Department reach the decision to establish peepholes through which postal employees could be observed while in washrooms?

3. What were the reasons for these decisions?

4. Were the postal employees' organizations consulted before the decision to implement these policies were decided upon and, if so, did the employees' organizations approve.

5. Were any alternative methods considered by the department to this method of observing employees and, if so, what were these methods and why were they rejected?

[Mr. Nicholson.]

Hon. J. R. Nicholson (Postmaster General):

1. Original records are no longer available but buildings constructed prior to 1900 had observation galleries installed in them.

2. Original records are no longer available but observation of washrooms was provided whenever architecturally practicable. One building constructed more than 40 years ago and still in use provides observation of men's washrooms.

3. To enable post office investigators to place responsibility for theft or depredation of items of mail.

4. It is not known what employee associations, if any, were in existence at the time observation galleries were first introduced, or if they were in existence whether they were consulted and, if consulted, whether they approved. In recent years, however, the department has exchanged views with the national postal employee associations and they have indicated the acceptance of the use of the observation facilities for investigational purposes in the case of theft or other depredations of mail.

5. Yes. One installation of closed circuit television still in use.

RESEARCH INTO ALCOHOLISM DEATHS

Question No. 1,912—**Mr. Howe (Hamilton South):**

Is the government conducting or supporting research into the causes of the steady increase in the rate of deaths from alcoholism?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Federal support is available from the Department of National Health and Welfare to the provinces under the terms of the national health grants for research into the causes of alcoholism.

To this date in 1964-65, one project dealing with research on alcoholism has received approval in an amount of $10,180.

PENITENTIARY LAND PURCHASE, ST. PIE DE BAGOT

Question No. 1,915—**Mr. Rondeau:**

1. What amount was paid for the purchase of the land which was to be used for the construction of a penitentiary at St. Pie de Bagot?

2. What are the dimensions of the land?

3. What is the amount of its municipal assessment?

4. What was the amount of municipal taxes paid on the land before it was purchased?

5. What was the amount of the professional fees paid in connection with the purchase of the land?
6. To whom were the fees paid?
7. What does the government intend to do with the land?
8. For what reasons was the project abandoned?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State of Canada): 1. $83,000.

2. 2,277.46 feet frontage on Grand St. François to a depth of 5,718.79 feet.

3. $16,100.

4. For the year 1962 the amount of $346.15 was paid.

5. Professional fees paid in connection with the purchase of this land amount to:

(a) Survey	$1,650.00
(b) Appraisal	1,161.10
(c) Legal	716.00
(d) Soil Test Borings	1,920.00
	$5,447.10

6. The professional fees were paid to: (a) G. Girard, Q.L.S.; (b) J. H. Sullivan, S.I.R., C.R.E. (Veterans Land Act); (c) André Dumont, Notary; (d) Warnock-Hersey, Engineers.

7. The government intends to use this land for the construction of a penal institution of medium security when such an institution is required in the province of Quebec.

8. The project of constructing a medium security institution at St. Pie de Bagot was placed in abeyance as a result of the incident at the St. Vincent de Paul penitentiary in June 1962. This disturbance indicated the need for a new maximum security institution for which the site at St. Pie de Bagot was not considered as suitable.

[*Text*]

INCOME TAX PAID BY PERSONS OVER 70

Question No. 1,919—**Mr. Winkler:**

1. How many Canadians 70 years of age and over paid income tax in the fiscal year ending March 31, 1963?
2. What was the total amount of money paid in income tax by the people in this age category in the same year?
3. How many people in this category received a return on the tax paid in the same year?
4. What is the percentage of the money received in tax from Canadians in this category to the total amount of money paid in old age security to all Canadians over age 70?

Hon. E. J. Benson (Minister of National Revenue): Records are not maintained on the basis of fiscal years, therefore figures cannot be provided for the year ending March 31, 1963. The statistics used in answering this question represent those pertaining to 1963 income tax returns filed up to the present time.

1. Filers age 70 or over 147,116.

2. Total tax paid by above, $79,078,467.66.

3. Number of above receiving refunds, 27,894.

4. 10.7 per cent.

STUDY OF HIGHWAY COST RESPONSIBILITIES

Question No. 1,930—**Mr. Mather:**

1. Has the government received from representatives of the mayors and municipalities of Canada a request for a joint federal-provincial-municipal study of highway cost responsibilities as these affect urban areas?
2. Is the government agreeable to such a project?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): 1. No such request has been received. However, the submission presented to the government on September 14, 1964, by representatives of the Canadian federation of mayors and municipalities contained a section on urban transportation. This section, together with the other recommendations included in the federation's submission, are now being studied by the government.

2. Answered by No. 1.

PESTICIDES USED IN FRUIT GROWING

Question No. 1,952—**Mr. Howe (Hamilton South):**

1. What pesticides, herbicides, or other agricultural chemicals are being used in connection with fruit-growing in the Niagara peninsula?
2. Is the government conducting or supporting research into the persistence of these chemicals on the fruit, or in orchard soil and, if so, at which institutions, and under whose direction is such research being conducted?
3. What is the annual cost to the government of such research?

Hon. Harry W. Hays (Minister of Agriculture): 1. All the pesticides listed hereunder are registered for use on pests occurring on crops in the Niagara peninsula. However, all these chemicals may not be in general use:

(a) Insecticides and acaricides: azinphos-methyl (Guthion), carbaryl (Sevin), chlorbenzide (Mitox, DDD (TDE), DDT, demeton (Systox), diazinon, dieldrin, dimethoate (Cygon, Rogor), dinoseb (DN-289), DNOC (Elgetol, dormant oil, endosulfan (Thiodan), ethion, Genite, Kelthane, lead arsenate, malathion, methoxychlor, Morestan, ovex, parathion, mevinphos, (Phosdrin), nicotine sulphate, phosphamidon, rotenone, summer oil, tetradifon (Tedion), TEPP and carbophenothion (Trithion).

Questions

(b) Fungicides: Bordeaux mixture, captan, cycloheximide (Acti-dione, dichlone (Phygon XL), dinocap (Karathane), dodine (Cyprex), ferbam, fixed copper, folpet (Phaltan, glyodin (Crag), lime sulphur, mercury, sulphur, thiram and zineb.

(c) Herbicides: Amine Dinitro, amitrole (aminotriazole), ammonium sulphamate (Ammate-x), CIPC, dalapon, Disul-sodium (Sesone), diuron (Karmax), liquid cyanamid, paraquat (Gramoxone), silvex, simazine and 2,4-D amine.

2 and 3. Yes. Research on the persistence of insecticides, fungicides and herbicides in soils and plants, including fruit, is being conducted at a number of the department's research branch establishments across Canada. (See answer to question No. 1,801). The results of a number of these projects undertaken at these locations are applicable to problems found in the production of fruit in the Niagara peninsula area. The work is carried out at establishments located at Kentville, N.S., Fredericton, N.B., Ottawa, Ontario, Chatham, Ontario, London, Ontario and Summerland, B.C. under the general direction of the director general, research branch, and under the immediate direction of the officers in charge at these locations at an estimated annual direct cost of $236,000.

Planning of a new research laboratory to be located at Vineland is under way and research will be conducted into the problems referred to, as they relate to areas across Canada, and to the Niagara peninsula specifically.

*GREAT LAKES BROADCASTING CO.

Question No. 1,955—**Mr. Rynard:**

1. Who are the officers and directors of the Great Lakes Broadcasting Company?
2. In shares, what is the capitalization of the company?
3. Is majority control held by the said officers and directors?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. Messrs. C. L. Chambers, D. G. Campbell, D. G. Hildebrand and D. F. Hunter.

2. Authorized capital of company is $100.

3. The Department of Transport has always treated as confidential the information concerning shareholders.

ALLOCATION OF MONEYS, ATLANTIC DEVELOPMENT BOARD

Question No. 1,956—**Mr. Coates:**

1. How much of the moneys allocated to the Atlantic development board have been committed by that board to date?

[Mr. Hays.]

2. Of the money committed, how much has been made available to Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland?

Hon. J. W. Pickersgill (Minister of Transport): I am advised by the Atlantic development board as follows:

1. The amount of moneys committed by the board from the Atlantic development fund is $71,565,000, of which $20,000,000 has been earmarked by the board to assist the province of Nova Scotia in industrial development.

2. The amount allocated to Nova Scotia is $23,565,000 of which $20,000,000 has been earmarked by the board to assist the province in industrial development.

The amount allocated to New Brunswick is $23,125,000.

The amount allocated to Prince Edward Island is $1,875,000.

The amount allocated to Newfoundland is $23,000,000.

ESCAPES OF INMATES, STONY MOUNTAIN PENITENTIARY

Question No. 1,957—**Mr. Slogan:**

1. How many inmates in Stony Mountain penitentiary have escaped from the institution in the past year?
2. Is the Department of Justice strengthening precautions against inmates escaping?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): 1. Four.

2. The security measures to prevent escapes are commensurate with the security needs of the inmates detained there and vary with each type of penal institution.

Such measures are continually under review to improve security and, at the same time, to provide conditions favourable to the development of the rehabilitation potential of each inmate.

USE OF LASER BEAM IN RADAR SYSTEM

Question No. 1,991—**Mr. Mather:**

Is consideration being given by Air Canada to developing a radar system with a pulsating laser beam to detect air turbulence in a clear sky?

Hon. J. W. Pickersgill (Minister of Transport): The management of Trans-Canada Air Lines advise as follows: Air Canada is keeping a close watch on all industry wide research and development projects which are under way with regard to clear air turbulence, its source and surrounding conditions. The laser beam is just one of the many avenues of research in this field.

SUGGESTED REDUCTION IN RAIL SERVICE, SAINT JOHN-MONCTON, N.B.

Question No. 1,995—**Mr. Bell:**

1. Has a proposal or suggestion to stop the railiner between Saint John and Moncton at Coldbrook, N.B. been considered by the Canadian National Railways and, if so, what was the decision?
2. What was the basis for such a decision?
3. Did the company take into consideration that there is a large housing area of over two thousand people located around Coldbrook?

Hon. J. W. Pickersgill (Minister of Transport): The management of the Canadian National Railways advise as follows: 1, 2 and 3. No proposal or suggestion to stop railiner at Coldbrook has been received or considered.

CONSTRUCTION OF WHARF FACILITIES, ESKASONI INDIAN RESERVE

Question No. 1,998—**Mr. Muir (Cape Breton North and Victoria):**

Is any consideration being given to the construction of wharf facilities at the Eskasoni Indian reserve to expedite the shipment of pulpwood from that area?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): During the last 20 years, only two cargoes of pulpwood have been shipped from the Eskasoni reserve. However, the present pulpwood operation is being reviewed to determine whether or not wharf facilities are required.

C.N.R. FREIGHT TO NEWFOUNDLAND THROUGH MULGRAVE, N.S.

Question No. 1,999—**Mr. Muir (Cape Breton North and Victoria):**

Since November 1, 1963, until the present date, what has been the total tonnage of freight shipped by the Canadian National Railway to Newfoundland through the port of Mulgrave, N.S.?

Hon. J. W. Pickersgill (Minister of Transport): The management of the Canadian National Railways advise as follows: 33,368 tons.

EXTENSION OF WATER FACILITIES, ESKASONI INDIAN RESERVE

Question No. 2,000—**Mr. Muir (Cape Breton North and Victoria):**

What provisions are being made for further extension of the domestic water facilities at the Eskasoni Indian reserve and for the installation of hydrants for fire protection?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Since April 1, 1964, a total of $3,500 has been provided to extend water facilities to various Indian houses on the Eskasoni reserve. The department also plans to purchase materials later this year to further improve the water services to reserve residents.

Plans to install fire hydrants on the reserve are well advanced and it is hoped that the work can be commenced in the near future.

FEDERAL AID TO MOUNT HOPE AIRPORT

Question No. 2,002—**Mr. Howe (Hamilton South):**

1. Have federal funds been made available for the development of Mount Hope airport in Hamilton and, if so, on what date were they made available?
2. How much has been given and for what specific purpose or purposes?

Hon. J. W. Pickersgill (Minister of Transport): 1 and 2. No action has as yet been taken on this matter pending decision from the city of Hamilton as to whether they are prepared to assume responsibility for the continued operation of the airport.

J.B. RUDNYCKYI—VISIT TO SWITZERLAND AND ITALY

Question No. 2,003—**Mr. Dinsdale:**

1. Is Mr. J. B. Rudnyckyi a member of the royal commission on bilingualism and biculturalism and, if so (a) what was the purpose of his visit to Switzerland and northern Italy this summer (b) was the visit sponsored by the bilingualism and biculturalism commission (c) did he submit a report on bilingual and bicultural matters in Europe (d) was he assigned to bilingual and bicultural research in Europe following the return to question No. 1,464 brought down in the house on July 9, 1964?
2. How many researchers, other than Dr. Jacques Brazeau and Mr. Rudnyckyi, are now engaged in research in Europe on behalf of the bilingualism and biculturalism commission and, (a) what are their terms of reference and remuneration (b) what are their names?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): 1. Mr. J. B. Rudnyckyi is a commissioner appointed to the royal commission on bilingualism and biculturalism. (a) Professional business related to his academic interests; (b) no; (c) yes; (d) no.

2. None other than Dr. Jacques Brazeau as reported in the return to question No. 1,464.

SALE OF LAND TO TRANSPORT DEPARTMENT, NORTH SYDNEY, N.S.

Question No. 2,004—**Mr. Muir (Cape Breton North and Victoria):**

1. What were the amounts offered by the Department of Transport or the C.N.R. for parcels of land required for new port and railway facilities at North Sydney?
2. What were the names and addresses of parties to whom such offers were made?
3. What was the final agreed price in each of the above instances and to whom were the cheques made payable?

Questions

Hon. J. W. Pickersgill (Minister of Transport): 1, 2 and 3. There have been negotiations for acquisition of the following properties for purposes of terminal requirements at North Sydney: (a) R. T. Sainthill and Son Limited (represented by Mr. James G. Hackett, barrister and solicitor, North Sydney). (b) Mr. George E. Haggett, North Sydney. (c) Mr. J. O. Dolmont (represented by Messrs. Gunn and Gunn, 103 Charlotte st., North Sydney); (d) Mr. G. J. Brennan (represented by Messrs. Gunn and Gunn, 103 Charlotte st., North Sydney); (e) National Sea Products Limited, P.O. Box 2130, Halifax (R. G. Smith, vice president and general manager).

As negotiations are still being carried on in connection with some of the transactions it is not considered advisable to give financial details at the present time.

EXCELLENCE AWARDS TO C.B.C.

Question No. 2,005—**Mr. Mather:**

What awards for excellence of radio and television programs has the Canadian Broadcasting Corporation achieved since January 1, 1963?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation that from January 1, 1963 to September 30, 1964 the corporation has received 29 awards in national and international competition as follows:

International awards: American exhibition of educational radio and television programs, sponsored by the institute of Ohio state university for education by radio and television:

Television: First awards: Camera Canada, "The Looking Glass People". The Nature of Things, "Count on Me" The Ideas of Physics, "Order or Chaos". Patterns of Living, "Display" Focus & Telescope, "Thursday's Child".

Special commendation: "The Place of the Skull". "G. B. Shaw, Arms and the Man".

Radio: First awards: Aspects of Canada, "River of Canada". School broadcast, "Thar She Blows". Health science series, "The Life Saver". Issues in modern Canada, "American Influences on Canadian Life", "The Folk Element in Dramatic Music", "A la Ferme", Venture, "Einstein and After", Bill of Fare, "The Season to Lose your Reason".

Special commendation: Summer Fallow, "The Awakening".

Radio t.v. daily 21st annual all-American awards of the year, "Democracy in America".

2nd international television festival, U.A.R. "Web of Life".

[Mr. Muir (Cape Breton North and Victoria).]

Family service association of America, Close-Up, "Vintage Years, The" (Special Mention).

National school Bell award, "Democracy in America".

3rd international television festival, "And Then There Were None".

Italia prize, city of Genoa prize, "Open Grave".

National academy of television arts and sciences, "The Offshore Island".

Canadian Awards: Beaver award, "Fête au village". Canadian film awards, "Listen With Your Eyes". Montreal international film festival, "A Tout Prendre". Ontario teachers federation, for general programming in the field of education (radio and t.v.). National safety council, for general programming in the field of safety. Ontario safety council, for general programming in the field of safety. Wilderness award, "One More River".

ALTERATION IN RURAL MAIL ROUTE, AMHERST, N.S.

Question No. 2,009—**Mr. Coates:**

1. Has the Post Office Department altered its general policy of having rural routes start and finish at a post office and, if so (a) when was it altered (b) for what reason was it altered?

2. Was a material alteration effected in R.R. No. 2 Amherst, Nova Scotia after tenders were received and, if so, has consideration been given to the calling of new tenders for this service to enable others who might have submitted a tender to now do so in view of the material alteration in the original tender call?

Hon. J. R. Nicholson (Postmaster General): 1. No. It is still the policy to have rural routes start and finish at the distributing post office.

2. No material alteration was effected in Amherst rural route No. 2 after tenders were received. The new contractor starts and finishes the service at the Amherst post office.

CENTRIFUGAL PUMPS FOR FARM USE

Question No. 2,012—**Mr. Dinsdale:**

1. Are centrifugal or gear pumps, for the watering of livestock on farms, classified under the agricultural implement schedule for tariff purposes?

2. Are centrifugal or gear pumps, for incorporation into sprinkler irrigation systems, used on the farm for farm purposes classified under the agricultural implement schedule for tariff purposes?

3. If the answer to question 1 is no, and the answer to question 2 is yes, what is the difference between centrifugal and gear pumps used for agricultural watering purposes and the same pumps used for agricultural sprinkling systems?

4. Are engines and motors incorporated into or attached to centrifugal or gear pumps, for livestock watering purposes on farms, classified as agricultural machines for tariff purposes?

5. Are engines and motors incorporated into or attached to centrifugal or gear pumps, for sprinkler

irrigation systems on farms, classified as agricultural machines for tariff purposes?

6. Are engines and motors incorporated into or attached to pumpjacks, for livestock watering purposes on farms, classified as agricultural machines for tariff purposes?

7. What is the difference, in principle, between the agricultural functions of (a) pumpjacks (b) centrifugal or gear pumps?

Hon. E. J. Benson (Minister of National Revenue): 1. No.

2. Yes.

3. Item 409f of the agricultural implement schedule of the Customs Tariff contains a provision for "sprinkler irrigation systems; ... for use on the farm for farm purposes only; ... parts of all the foregoing". Pumps for incorporation into such systems are dealt with as parts of the systems. Centrifugal and gear pumps are general purpose pumps and the agricultural implement schedule does not contain a provision to cover centrifugal and gear pumps when used for other agricultural watering purposes.

4. No.

5. Engines and motors incorporated into or attached to centrifugal or gear pumps, for sprinkler irrigation systems, are classified under item 409q of the agricultural implement schedule. The item makes specific provision for auxiliary internal combustion engines and electric motors incorporated in or attached to, or to be incorporated in or attached to, agricultural implements or agricultural machinery.

6. Engines and motors incorporated into or attached to pumpjacks are admissible under item 409q as outlined in 5.

7. Pumpjacks are designed to convert hand operated pumps to power operated pumps and are regarded as agricultural machines in their own right, being primarily for farm use. Centrifugal and gear type water pumps are general purpose pumps.

*SOCIAL INSURANCE REGISTRATIONS

Question No. 2,016—**Mr. Rhéaume:**

1. How many Canadians are now in possession of social insurance numbers?

2. Of the above, how many were voluntary registrations?

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): 1. 5,855,121 as at the close of business October 1, 1964.

2. No separate statistics are maintained of those who are required to register under the provisions of the Unemployment Insurance Act and those who are not covered by the act. However, a great many people who are not covered by the Unemployment Insurance Act have made voluntary applications and been assigned a social insurance number.

GRADE XII STUDENTS, NORTHWEST TERRITORIES

Question No. 2,019—**Mr. Rhéaume:**

1. How many students were enrolled in grade XII in the Northwest Territories during the 1963-64 school term?

2. How many of these students wrote final examinations at the completion of the school term?

3. What department or agency set these examinations and where and by what agency were they marked?

4. What were the results in terms of (a) failures (b) passing grades (c) eligibility for subsequent university enrollment?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): 1. Seventy two students were registered in some or all subjects in grade XII during the 1963-64 school term.

2. Seventy two students wrote a total of 280 examination papers in 1964.

3. The Alberta department of education set the grade XII departmental examination. They were marked in Edmonton, Alberta, by officials of the department of education of Alberta on the same basis as papers written by grade XII students in that province.

4. (a) Results of all papers written show failures on 85 papers. (b) Results of all papers written show passes on 195 papers. (c) Four students completed full university entrance standing in the academic year 1963-64.

PROPOSED ACTION WHERE RETIREMENT INCOME EXCEEDS SALARY EARNED

Question No. 2,022—**Mr. Coates:**

As a guide to other employers, what action does the government plan to take respecting members of the public service superannuation plan whose benefits from that plan, from old age security, and from the Canada pension plan may exceed 100 per cent of their salaries at retirement?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): The policy to be proposed by the government to parliament in respect of the adjustment of the Public Service Superannuation Act to take into account the Canada pension plan will be announced in due course.

INVESTMENT OF FUNDS UNDER PENSION PLAN

Question No. 2,023—**Mr. Coates:**

1. What steps will be taken to ensure that funds accumulated under the Canada pension plan will be invested to secure the best return, consistent with security, for the contributors?

2. What provisions are made in the event of a default by a province or municipality in repayment of funds loaned to it?

3. Will these funds be subject to supervision by the federal government?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): As indicated in the letter from the Prime Minister to provincial premiers which was printed in the appendix to *Hansard* on April 20, 1964, and in the white paper which was tabled by the Minister of National Health and Welfare on August 10, 1964, the funds arising from the pension plan are to be made available for the use of the provinces and the provincial governments would be required to undertake to pay interest to the pension fund at a rate of interest at least equal to the rate on long term federal securities.

Apart from this general statement, this question relates to a matter of government policy on which an announcement will be made by the government at the appropriate time.

WINTER WORKS PROGRAM, CHAMPNEUF MUNICIPALITY, QUE.

Question No. 2,025—**Mr. Laprise:**

Has the municipality of Champneuf, in Chapleau county, indicated its intention of taking advantage of the municipal winter works program during the fiscal year 1964-65 and, if so, what project or projects are anticipated, and what will be the federal, provincial and municipal share of the works?

Hon. A. J. MacEachen (Minister of Labour): Not to the knowledge of the Department of Labour.

TOTAL LABOUR FORCE, INCOME TAXPAYERS, ETC.

Question No. 2,027—**Mr. Latulippe:**

1. What is the total labour force engaged in production in Canada?

2. How many persons paid income tax during the last taxation year?

3. How many mothers work at home without remuneration?

4. How many persons in Canada, including children and students, are considered as dependents and receive no income?

5. What is the total population of Canada?

[*Translation*]

Hon. Maurice Lamontagne (Secretary of State): 1. Employed labour force in Canada, three month average June, July and August 1964. Total—6,895,000. Employed in goods-producing industries (a)—3,173,000 (of which 1,754,000 were employed in manufacturing), employed in service-producing industries (b) —3,722,000.

(a) Includes agriculture, forestry, fishing and trapping, mining and quarrying, manufacturing and construction.

(b) Includes transportation and communication, public utilities, trade, finance, service (comprising community service, government service, recreational service, business service and personal service).

2. The number of persons paying income tax for the 1962 taxation year was 4,681,227. This figure is based on a sample analysis of income tax returns.

3. No information available.

4. No information available.

5. Total population of Canada: 1961 census, at June 1, 1961, 18,238,247; estimated population at June 1, 1964, 19,237,000; estimated population at July 1, 1964, 19,272,000.

[*Text*]

INCOME TAX PAID BY INDIVIDUALS AND COMPANIES

Question No. 2,028—**Mr. Latulippe:**

1. How many private citizens and companies paid income tax in (a) 1942 (b) 1952 and (c) 1962?

2. What was the total amount of income tax paid by private citizens and companies in (a) 1942 (b) 1952 and (c) 1962?

3. How many taxpayers have paid income tax in the province of Ontario and in the province of Quebec in (a) 1942 (b) 1952 and (c) 1962 and what was the total amount for each province?

Hon. E. J. Benson (Minister of National Revenue):

1 and 2.

	Individuals			Corporations	
	No. of taxpayers	Tax assessed ($millions)		No. of taxpayers	Tax declared ($millions)
(a) 1942	1,781,244	335.7		not available	
(b) 1952	3,125,100	1,071.8		35,228	1,238.9
(c) 1962	4,681,227	2,021.8	(1961)	72,290	1,323.0
3. Province of Ontario:					
(a) 1942	808,937	157.1		not available	
(b) 1952	1,364,260	497.8		11,235	593.8
(c) 1962	1,949,767	945.0	(1961)	25,310	607.0
Province of Quebec:					
(a) 1942	429,474	85.8		not available	
(b) 1952	706,420	236.2		8,477	375.5
(c) 1962	1,180,554	424.3	(1961)	16,952	403.3

Note: 1962 figures are not yet available for corporations and therefore 1961 figures are given as the latest year available. All figures are based on the annual analysis of income tax returns. Tax figures for 1952 and 1962 include old age security tax, and for 1962 include provincial income tax for those provinces which have agreements with the federal government under the Federal-Provincial Fiscal Arrangements Act.

*TRANSFER OF MARINE AGENCY, PARRY SOUND, ONT.

Question No. 2,034—**Mr. Aiken:**

1. Has the government any plans for transferring the headquarters of the Parry Sound marine agency from the town of Parry Sound to another location?

2. Is the government making plans for the establishment of a Department of Transport marine base at Sault Ste. Marie, Ontario and, if so (a) for what purpose (b) will any of the duties now carried out at Parry Sound be transferred to Sault Ste. Marie?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): 1. No.

2. Yes. To carry out increasing responsibilities, the marine services branch of the department has found it necessary to proceed with plans for the establishment of various additional facilities in the great lakes area, including new marine support bases, one of which will be located at Sault Ste. Marie. This, in turn, will require the evolution of a regional concept of organization and management, in line with the concepts of delegation recommended by the Glassco royal commission. While this could lead, in due course, to some readjustments in functions between the various marine bases, to take care of the existence of new facilities, and the increased amount of work to be carried out, detailed plans in this regard have not yet been developed. As indicated, the Parry Sound marine agency is to be retained.

W.M. LEE, OFFICE OF DEFENCE MINISTER

Question No. 2,040—**Mr. Madill:**

1. Is W. M. Lee in the office of the Minister of National Defence, a civil servant and, if not (a) what is his status (b) what are his duties (c) what is his salary?

2. Was Mr. Lee in the village of Beeton, Ontario, on or about September 24, 1964, on official business and, if so, what was his business?

3. Was any part of his travelling expenses to and from Beeton paid by the government of Canada?

Hon. Paul Hellyer (Minister of National Defence): 1. No. (a) Appointed by order in council; (b) assistant to Minister of National Defence; (c) $14,000 per annum.

2. Yes. To address a dinner meeting at the invitation of the Rotary club of Beeton, Ontario.

3. Yes.

INCLUSION OF SEACOAST IN SECOND NATIONAL PARK, N.S.

Question No. 2,041—**Mr. Crouse:**

Has the government given any consideration to including a section of seacoast, either in Lunenburg or Queens counties, to the present boundaries of the second national park to be established in the Kejimkujik area of Queens county and, if so, what amount of money has been set aside for this additional land, and how many acres will be added to the original park area?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): This matter is being considered at the present time by the the government and the province of Nova Scotia. The responsibility for the provision of land for a national park rests with the

province concerned. No funds can be set aside for development until an agreement is concluded.

STUDENT LOANS

Question No. 2,050—**Mr. Howe (Hamilton South):**

1. As of September 30, 1964, how many students, in each province and territory, have been granted Canada student loans?
2. In each province and territory, what is the total of loans now granted?

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. This information is not yet available.

2. This information is not yet available.

CIGARETTE SMOKING AND CANCER

Question No. 2,051—**Mr. Mather:**

1. Is there statistical evidence linking cigarette smoking and lung cancer?
2. How many deaths from lung cancer have occurred in Canada during 1962, 1963, and the first six months of 1964?
3. Is consideration being given to (a) regulating cigarette advertising in the interests of public health, or (b) encouraging cigarette companies to do so?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): 1. Yes. Relevant information is given in "Smoking and Health Reference Book (Canada)" produced by the Department of National Health and Welfare this year. This reference book contains extracts from authoritative reports on the evidence and copies of reports on the Canadian study.

2. 1962, 3,034; 1963, 3,246; 1964, not available.

3. (a) The advisability of regulating cigarette advertising in the interests of public health has received study within the Department of National Health and Welfare and is still under consideration; (b) The Canadian tobacco manufacturers are aware of the department's study and interest in this matter.

C.B.C. CIRCULAR RESPECTING TELEVISION REBROADCASTING

Question No. 2,052—**Mr. Howard:**

1. On or about July 22, 1964, did the Canadian Broadcasting Corporation mail a circular entitled "Supplementary service for t.v. network rebroadcasters" to the editor, Fort Nelson *News*, Fort Nelson, B.C., by "special delivery"?
2. Was the Canadian Broadcasting Corporation aware that there is no t.v. reception either at Fort Nelson or within miles thereof and that there is no "special delivery" service at Fort Nelson?

Hon. Maurice Lamontagne (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows:

[Mr. Laing.]

1. Yes. Through a clerical error the mailing address plate of the Fort Nelson *News* was inadvertently substituted for the Nelson *Daily News*. The C.B.C. has a television rebroadcasting station at Nelson, B.C., and the supplementary service program listings are supplied weekly by special delivery mail to the Nelson Newspaper.

2. Yes.

*ALLEGED STRIKEBREAKERS IN TORONTO

Question No. 2,054—**Mr. Knowles:**

1. Does the Department of Citizenship and Immigration have knowledge of the presence in Toronto of any of the following persons and, if so, which ones Chuck Gordon, Gene Kuhn, C. E. Benjamin, Richard Mahoney, Mrs. Richard Mahoney, Ralph Cherry, Charlie Moore, Ralph Sanders, Bill McDougall, Roger Melton, Gene Bell and one Hawkins?
2. Does the Department of Citizenship and Immigration have knowledge as to whether any of the above-named persons are working for any of the daily newspapers in Toronto and, if so, which ones, and in what capacity?
3. (a) Where did each of the above named persons come from (b) has the department any knowledge of the experience each of them has had in strikebreaking activities (c) is their presence in Canada as strikebreakers in line with government policy?

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): 1. The department is aware of the presence in Toronto of the following individuals mentioned in this question: Chuck Gordon, Gene Kuhn, L. E. Benjamin, Ralph Sanders, Roger Melton and Gene Bell. The department has no knowledge of the presence in Toronto of Richard Mahoney, Mrs. Richard Mahoney, Ralph Cherry, Charlie Moore, Bill McDougall or one Hawkins.

2. Chuck Gordon and Gene Kuhn are employed by the Toronto *Globe and Mail* as linotype machinists. L. E. Benjamin is also employed by the *Globe and Mail* as an assistant superintendent. Ralph Sanders, Roger Melton and Gene Bell are employed as printers by the Toronto *Telegram*.

3. (a) The six persons mentioned in part 2 came from the United States. (b) and (c) These questions assume a truth which has not been established.

MAIL TENDER, R.R. 2, WHYCOCOMAGH, N.S.

Question No. 2,056—**Mr. Muir Cape Breton North and Victoria):**

1. Who was the successful tenderer for R.R. No. 2 Whycocomagh, Nova Scotia?
2. How many tenders were received and what were the names, addresses and amounts of each tender?

Hon. J. R. Nicholson (Postmaster General): 1. Allan L. MacKinnon.

2. Three tenders received: Allan L. MacKinnon, Whycocomagh, $3,432; Charles B. McLaughlin, R.R. No. 2, Whycocomagh, $3,800; Gordon M. MacDonald, Whycocomagh, $4,500.

EFFECT OF PESTICIDES ON WILDLIFE—ROLE OF AGRICULTURE DEPARTMENT IN STUDY

Question No. 2,060—**Mr. Howe (Hamilton South):**

What will be the role of the Department of Agriculture in the forthcoming study by the Canadian wildlife service into the effects of pesticides on wildlife?

Hon. Harry W. Hays (Minister of Agriculture): The Department of Agriculture has no explicit role in the study by the Canadian wildlife service into the effects of pesticides on wildlife. However, the department will keep in close touch with these studies through participation in the work of the interdepartmental committee on pesticides and is prepared to co-operate in any useful way.

EFFECT OF PESTICIDES ON WILDLIFE—ROLE OF NATIONAL HEALTH AND WELFARE DEPARTMENT IN STUDY

Question No. 2,061—**Mr. Howe (Hamilton South):**

What will be the role of the Department of National Health and Welfare in the forthcoming study by the Canadian wildlife service into the effects of pesticides on wildlife?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): The co-ordination of federal government work on pesticides is in the hands of the interdepartmental committee on pesticides set up by the government and reporting to the Minister of Agriculture. It is presumed the matter will be discussed in that committee.

FEDERAL PARTICIPATION IN LAKE SUPERIOR EXPLOSIONS

Question No. 2,062—**Mr. Howe (Hamilton South):**

1. What is the role of the Canadian government in the series of explosions in lake Superior?
2. What is the cost to the government of these experiments?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): 1. Dominion observatory seismologists are participating with the U.S. government in the planning, have recorded seismic data at field stations in Canada and are actively engaged in the interpretation of results.

2. Cost to the Canadian government involved only field expenses of seismic crews: approximately $3,000 in 1963 and $2,000 in 1964.

APPOINTMENT OF COMMISSIONERS UNDER INQUIRIES ACT

Question No. 2,064—**Mr. McIntosh:**

Are commissioners under part I of the Inquiries Act ever appointed except by order in council?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): In any case involving an inquiry under part I of the Inquiries Act where the inquiry is not regulated by any special law, as referred to in section 3 of the said act, an order in council is made authorizing the issue of a commission appointing the commissioner(s).

GOLD RESERVE, INTERNATIONAL MONETARY FUND

Question No. 2,067—**Mr. Côté (Chicoutimi):**

1. What is the percentage of the gold reserve deposited in the international monetary fund as a guarantee for the paper money or for the bank transfers made by the central banks of the countries that belong and contribute to the international monetary fund?
2. Is this gold deposited in the vaults of the international monetary fund or are gold certificates used instead of real gold?
3. During the past ten years, did Canada have to make certain international payments in gold in connection with its commercial trading?

[*Translation*]

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1. Each member of the international monetary fund pays a subscription to the fund, 25 per cent of which is in gold and 75 per cent in the currency of the country. These subscriptions make up a pool of resources which is available to be drawn on by member countries experiencing temporary balance of payments difficulties. The international monetary fund does not issue its own paper and no part of the gold subscription to the fund serves as a guarantee for the paper money or for the bank transfers made by the central banks of the member countries.

2. The gold resources of the international monetary fund are in the form of gold bars and are held for the account of the I.M.F. in the Federal Reserve Bank of New York, the Bank of England, the Banque de France, and the Reserve Bank of India.

3. No.

[*Text*]

CO-OPERATIVE CHARTERED BANK, QUEBEC

Question No. 2,086—**Mr. Côté (Chicoutimi):**

1. Does the government intend to amend the Bank Act in order to permit the establishment of a co-operative chartered bank with capital advanced by the caisses populaires of the province of Quebec and other similar organizations, if not, will consideration be given to such question?

2. Has the government given consideration to the introduction of legislation which would enable caisses populaires of Quebec, while respecting the basic principles underlying their operation, to obtain, if they so desired, a co-operative bank charter implying all the privileges granted the commercial chartered banks and, if not, will consideration be given to such question?

[*Translation*]

Mr. L. T. Pennell (Parliamentary Secretary to Minister of Finance): 1 and 2. These are matters of government policy which will be announced if and when legislation is introduced in the house.

[*Text*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

HARBOURS AND RIVERS EXPENDITURES, B.C.

Question No. 1,664—**Mr. Barnett:**

What, for each of the fiscal years commencing with 1920-21, are expenditures made by the harbours and rivers engineering branch of the Department of Public Works on the seacoast of British Columbia, compiled so as to show (a) the total (b) Vancouver harbour (c) Fraser river-New Westminster harbour (d) Victoria harbour (e) the remainder of the coast subdivided so as to show totals for (i) steamer wharves and floats including dredging and breakwater costs ancillary thereto, and (ii) fishermen's harbours including wharves, floats, dredging and breakwaters ancillary thereto?

Return tabled.

SURVEILLANCE OF POSTAL EMPLOYEES

Question No. 1,939—**Mr. Orlikow:**

1. In how many post office buildings have peepholes been built through which employees can be observed?

2. In which post office buildings have peepholes been built?

3. What instructions are given to those assigned by the Post Office Department to observe postal employees through these peepholes?

4. Have any postal employees been charged with theft as a result of observation through the peepholes and, if so, how many, when, and where?

5. Have postal employees been checked up for such matters as smoking or taking too long for coffee breaks as a result of being observed through the peepholes in post offices?

6. Is information obtained by observers at post office peepholes used in making decisions as to prospective promotion for postal employees?

Return tabled.

[Mr. Pennell.]

MOTIONS FOR PAPERS

Mr. J. B. Stewart (Parliamentary Secretary to Secretary of State): Mr. Speaker, motion No. 168 is acceptable to the government, provided that the usual reservation concerning the agreement of the provinces is understood.

Mr. Speaker: Is it the pleasure of the house to adopt the motion subject to the reservation as expressed by the parliamentary secretary?

Some hon. Members: Agreed.

PROVINCIAL APPLICATION FORMS FOR STUDENT LOANS

Motion No. 168—**Mr. Cantelon:**

That an order of the house do issue for a copy of the application form used in each of the provinces in the disbursement of the moneys under the student loans plan.

Motion agreed to.

IMMIGRATION

REQUEST FOR CONSIDERATION OF CASES OF GREEK SEAMEN

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Citizenship and Immigration. Some time ago I asked him to investigate the department's attitude toward appeals against deportation by a number of Greek seamen in Toronto. Is the minister in a position to make a report? Is he able to say that the alleged order that severe measures were to be taken against these seamen, who had jumped ship and who have now become established in Canadian life, will not be applied to them and that they will have an opportunity if otherwise qualified, to become landed immigrants in Canada?

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, following the question put to me by the right hon. Leader of the Opposition some time ago, I asked the department to prepare a report on all instructions which might have been given to each of our counsel now engaged in deportation proceedings that could now be before the court. I have not yet received the report. I hope to get it soon so I can answer the question.

[*Text*]

DOMINION-PROVINCIAL RELATIONS

CONSIDERATION OF ECONOMIC PRIORITIES—PARLIAMENTARY REPRESENTATION OF UNITING PROVINCES

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have one question for the Acting Prime Minister. Could he tell the house whether the question of priorities among the needs of the country in the fields of education, health and welfare are to be discussed during the current conference with the provincial premiers, as has been so often advocated by Premier Roblin of Manitoba?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think it would be appropriate that the report on the conference be given by those who are on the Canadian delegation, and they will be in a position to make their report to the house tomorrow.

Mr. Lambert: A supplementary question. Might I suggest to the Acting Prime Minister that he put that under the item of "any other business".

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question to the Acting Prime Minister. In view of the further discussions at the conference regarding the union of at least two of the Atlantic provinces, will the government give the assurance that so far as federal responsibility is concerned the minimum constitutional safeguards of House of Commons and Senate representation will be made available to any united provinces as is now the case with individual provinces? I ask for this assurance because evidently British Columbia wishes to minimize the effect on the senatorial floor of the maritime provinces. I would ask the minister to take this question as notice.

Mr. Martin (Essex East): Yes, Mr. Speaker, I will take it as notice. It is regrettable that the question is put just as the conference is about to conclude, but there will be a report made tomorrow.

[*Later:*]

Mr. Bell: Mr. Speaker, I should like to ask a supplementary question in respect of the dominion-provincial conference. I think the minister used the word "regrettable". May I ask him what he meant by "regrettable"? Is it regrettable that the maritime provinces want this senatorial guarantee?

Mr. Martin (Essex East): No. It is regrettable that my hon. friend did not pose the question at a time when it might have had greater application. I do not know whether this matter has been dealt with, but I am sure the matters affecting the constitution have been fully considered. If my hon. friend had wanted to make his point clear, it seems to me the time for him to pose the question was before the conference had terminated.

COMMONWEALTH RELATIONS

CONSIDERATION OF ESTABLISHMENT OF PERMANENT SECRETARIAT

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is directed to the Acting Prime Minister. In view of the fact that there will be a commonwealth conference next month in Britain which senior officials of each commonwealth country will attend for the purpose of discussing the formation of a commonwealth secretariat, and in view of the fact that Canada's attitude in the past has been against institutionalizing the commonwealth in any way, can the minister tell us who will be the Canadian delegate to this conference and what will be Canada's official attitude with regard to the setting up of a secretariat?

Hon. Paul Martin (Acting Prime Minister): Mr. Speaker, it is not necessary to indicate all the Canadian personnel at the conference but, as is publicly known, Mr. Arnold Smith of the Department of External Affairs, who played a very active part in the discussions at the recent prime ministers' conference as one of the officials, will be in charge of the Canadian delegation. It would be inappropriate until their deliberations have finished for me to go beyond this.

Mr. Harold E. Winch (Vancouver East): A supplementary question. Can I ask the minister whether he does not consider it important that at a conference of this nature a cabinet minister should represent Canada?

Mr. Martin (Essex East): Mr. Speaker, the conference is a conference of officials. There has already been one discussion among officials representing commonwealth countries following the prime ministers' meeting, and this is another. Any final conclusion in matters of this sort, of course, can only be taken by representatives of the governments.

Inquiries of the Ministry

LABOUR CONDITIONS

CONTINUATION OF OLDER WORKERS INCENTIVE PROGRAM

On the orders of the day:

[*Translation*]

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

Can he inform the house whether the government is granting at present or intends to grant this year a $75 a month allowance to industries that will take on unemployed aged 45 and over? Are such amounts being paid at the present time and, if not, when does the minister believe that measure is to be applied?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, since this is a matter of policy with respect to the future of the older workers program, I cannot properly deal with it on orders of the day.

[*Translation*]

Mr. Caouette: Mr. Speaker, I have a supplementary question for the Minister of Labour.

Is the government now paying $75 to certain industries employing people 45 years of age and over who were unemployed?

[*Text*]

HOUSE OF COMMONS

INQUIRY AS TO FRENCH EDITION OF GOVERNMENT TELEPHONE DIRECTORY

On the orders of the day:

[*Translation*]

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

Can he explain to the house why the telephone book issued by the federal government which we used to receive simultaneously in both languages, was published last year for the year 1964, in English only in the month of June, and why we have not received as yet the French version of that telephone book from the federal government?

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I shall inquire into the matter and report thereon to the hon. member for Lapointe.

[Mr. Martin (Essex East).]

[*Text*]

NATIONAL DEFENCE

CONSIDERATION OF PURCHASE OF BUFFALO AIRCRAFT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Minister of National Defence. Can the minister tell the house whether his department is considering the purchase of up to 25 Buffalo aircraft from the de Havilland Corporation; and will he tell the house who the ubiquitous spokesman is who is always giving the reports to the press?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I can only say that the initial stages of the Buffalo program have now been nearly completed, and I refer to the development of the aircraft on a co-operative basis by the United States army, the Department of Defence Production and the de Havilland company. A number of aircraft have been flown and are being given tests of evaluation.

It is only normal at this stage that the Department of National Defence would consider whether there is any requirement for these aircraft in respect of the roles that our forces will be asked to carry out in the future. No decision has yet been taken.

In respect of the latter part of the question, I am just as curious as my hon. friend.

[*Later:*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Minister of National Defence. In view of the statements in the press about the allegations, claims, possibilities or probabilities with regard to changes in the national defence policy, regarding airplane purchases, could I ask the minister whether, if no decision has been made as yet, he will consider discussing this matter with the house and the defence committee before a decision is reached?

Mr. Hellyer: Mr. Speaker, the requirements are set out in the white paper in general terms. I am not sure whether the committee had an opportunity to discuss these matters at their previous sittings, but I would think the department has to accept its responsibility for the administration of the policy which has been laid down by the government and accepted by the committee in making selections which it can recommend to the House of Commons.

Mr. Winch: I should like to ask a supplementary question. Is it then the position of the minister that a decision of his department is in fact a fait accompli, and cannot be considered by the defence committee?

Mr. Hellyer: Mr. Speaker, I would not put it exactly that way, but in respect of the selection of individual items of equipment this is clearly an administrative responsibility of the department which cannot be delegated to a parliamentary committee; because under the constitution the minister has a responsibility to make recommendations to the government, and the government has a responsibility to make recommendations to parliament. When decisions are taken they are referred to the House of Commons in the form of requests for appropriations for the purchase of those particular equipment items. The decision is then subject to discussion in respect of the merits of the items as related to the merits of other available items. This is a very good system which provides ample opportunity for discussion by hon. members who are directly concerned.

INQUIRY AS TO DISBANDMENT OF SOUTH SASKATCHEWAN REGIMENT

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Could the minister say whether he has had representations from interested bodies in the province of Saskatchewan requesting the retention of the South Saskatchewan regiment; and have he or his officials come to a conclusion as to the future status of this famous regiment?

Mr. Speaker: It does seem to me this is a proper question for the order paper.

POST OFFICE DEPARTMENT

USE OF MAILS FOR DISSEMINATION OF RACIAL DISCRIMINATION LITERATURE

On the orders of the day:

Mr. J. E. Walker (York Centre): Mr. Speaker, I have a question for the Postmaster General. Is the Post Office Department contemplating any action against the national states rights party in connection with the recent and current distribution of racist hate literature in the Toronto area?

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I thank the hon. gentleman for having given me notice of this question.

Inquiries of the Ministry

In recent months, as most members of the house well know, my attention has been drawn to the hate literature issued by certain organizations in the United States which was being distributed through Canadian mails. After examination of some of the material, I determined that it was scurrilous to such a degree that I issued interim prohibitory orders under section 7 of the Post Office Act against two organizations. One was issued in July against the national white Americans party, post office box 2013, Atlanta, Georgia. The second prohibitory order was issued on September 29 against the national states rights party, post office box 783, Birmingham, Alabama.

Both the individuals and the organizations concerned were informed that they had a right to request a board of review. There was no request in the case of the national white Americans party for a board of review and the order became final. However, I am sure every hon. member will recall a 19 year old youth, named Stanley, who was involved in the earlier stages of this matter and who was connected at the time with the national white Americans party. I did receive over the week end a communication from this same youth, Stanley, now approximately 20 years of age, asking for a board of review on behalf of the national states rights party. That would indicate that these two groups are obviously the same people.

They have requested a board of review under section 7 of the act. That request will be granted. They will be given an opportunity to put forward their case, and the Post Office Department and others concerned will be given the opportunity of questioning them as to their objectives and what is behind their activities.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I have a supplementary question for the Postmaster General. Where are these boards of review held, and are they open to the public?

Mr. Nicholson: The boards of review are held here in Ottawa, although we have not had any in respect of hate literature. The people concerned did not act in time in respect of the first prohibitory order. There have been two boards of review held in respect of other matters with public hearings here in Ottawa. I cannot answer the hon. gentleman as to whether they are open to the public, but I will inquire and let him know.

Inquiries of the Ministry

ROYAL VISIT

LACK OF TRANSPORTATION FOR PREMIERS TO ATTEND DEPARTURE CEREMONIES

On the orders of the day:

Mr. Stuart A. Fleming (Okanagan-Revelstoke): Mr. Speaker, I should like to direct my question to the Secretary of State, asking him why official transportation was not provided for the provincial premiers who wished to attend the departure ceremonies at Uplands airport on Tuesday morning, and why in one or two instances when it was requested this courtesy was refused.

Hon. Maurice Lamontagne (Secretary of State): Mr. Speaker, I wish this question to be put on the order paper.

Mr. Fleming (Okanagan-Revelstoke): Do you want them out of town first?

AGRICULTURE

STATEMENT BY FORESTRY MINISTER RESPECTING ASSISTANCE TO EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I put a question to the Minister of Forestry?

It follows from the statement made last night by the minister on television to the effect that the federal government will soon announce a comprehensive program designed to improve the standard of living of eastern farmers.

Could the minister tell us when this program will be announced and whether it will take into account the suggestions made by members of the opposition to establish a national dairy control board and a minimum price of $3.50 per hundredweight for industrial milk?

Hon. Maurice Sauvé (Minister of Forestry): Mr. Speaker, I believe that the first part of the question asked by the hon. member deals with a comment made by the announcer and not with a statement I made.

Indeed, yesterday I addressed the co-operative milling trade of the province of Quebec, which had gathered under the auspices of the federated co-operative. I spoke before those representatives of the agricultural sector and I stressed the necessity for co-operation between the provincial governments and the federal government so as to improve living conditions in rural centres and particularly in the agricultural field.

[Mr. Nicholson.]

I raised many problems, but I did not announce any policy, and if my hon. friend would only read the text of my speech—

Mr. Vincent: Mr. Speaker, may I ask an additional question?

Does this mean that the present government has no legislative program to announce within a few days, a few weeks or a few months, to raise the standard of living of farmers in the eastern provinces?

Mr. Sauvé: My remarks had nothing to do with the legislative program of the government.

[*Text*]

TRANSPORTATION

QUEBEC—PROPOSED REDUCTION IN C.P.R. TRAIN SERVICE

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Transport, but in his absence I will put it to his representative.

Is the minister aware that the Canadian Pacific intends to reduce by 50 per cent its schedules in various regions of the province of Quebec and, among others, cancel the run known as 202 and 203 between Lac Megantic and Montreal which is most useful to Megantic citizens?

Is the minister not aware that such an arbitrary decision cannot be taken without consulting the parties concerned, that is the people involved? Could the minister intervene to prevent or delay the implementation of that decision before October 25, 1964?

[*Text*]

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

INDIAN AFFAIRS

INQUIRY AS TO SETTING UP OF COURT OF CLAIMS

On the orders of the day:

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I should like to ask the Minister of Citizenship and Immigration whether he will be in a position to introduce the legislation concerning the Indian claims commission at an early date, in view of the uncertain position in which the Indian people of Canada find themselves with regard to their treaty rights.

[*Translation*]

Hon. René Tremblay (Minister of Citizenship and Immigration): Mr. Speaker, as I have already mentioned in this house, the large number of recommendations received from the Indians regarding amendments to this bill are under consideration and I hope we may shortly be in a position to submit to the house the bill as amended.

[*Text*]

AIR CANADA

INQUIRY AS TO COMPLETE ADOPTION OF NEW SYMBOL

On the orders of the day:

Hon. Léon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Acting Minister of Transport. In view of the fact that Her Majesty the Queen flew back to England in a newly marked Air Canada plane, can he tell the house when all the other planes of T.C.A.—

Some hon. Members: Air Canada.

Mr. Balcer: —will be marked as they should be as well as all stationery, tickets and other necessary gadgets?

Hon. G. J. McIlraith (Acting Minister of Transport): Mr. Speaker, I will be very glad to provide that information.

LABOUR RELATIONS

MARITIME UNION TRUSTEES—APPEARANCE BEFORE HOUSE COMMITTEE

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has he been in communication with the board of maritime trustees lately, and can he indicate to the house the approximate time when the board will be appearing before the industrial relations committee?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have been in communication with the chairman of the board within the past week. At present the government has under consideration the appropriate reference to the industrial relations committee that might make it possible for that committee to meet with the chairman of the board.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. With reference to the minister's statement respecting the preparation of a satisfactory reference to the committee, will he give consideration to the terms of reference being made broad enough for the committee to invite other witnesses who may wish to appear before it to give any interesting evidence?

Mr. MacEachen: Yes, Mr. Speaker, I will be glad to consider that suggestion.

HOUSING

VANCOUVER—POSSIBLE EVICTIONS FROM VETERANS HOUSING PROJECT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I should like to direct a question to the Postmaster General in his capacity as the minister who reports for Central Mortgage and Housing Corporation. In view of the fact that under the policy of the government time is now running out for many veterans in the Fraserview project, has the minister given further consideration to the possibility of delaying any evictions to enable the veterans committee of the House of Commons to make a thorough investigation of the matter and report to the house?

Hon. J. R. Nicholson (Postmaster General): Mr. Speaker, I believe I have answered a similar question within the last week. Out of roughly 1,150 houses, satisfactory arrangements have been made either by sale or lease for well over 1,100. There are approximately 50 people left. They can be dealt with on an individual basis, and if necessary I am prepared to do so on that basis. I see no reason for further delay in view of the long delay that has already taken place.

Mr. Winch: A supplementary question, Mr. Speaker. I am not going to challenge the minister's figures, although I might be in a position to do so. Will the minister agree that there will be no evictions until each individual has had the opportunity of discussing the matter with his officials?

Mr. Nicholson: Mr. Speaker, I gave such an assurance a week ago, and encouraged any one who had representations to make to come forward and make them. I said they could be dealt with either by the officials of Central Mortgage and Housing Corporation or that these people could deal directly with me if they preferred to do so. I said I would do so at the request of an individual tenant or at the request of a member of the house or any other friend or amicus who wished to intervene.

Mr. Winch: A further supplementary question, Mr. Speaker. Because this project is in the city of Vancouver and the matter is of

major importance, would the minister be prepared to meet with these people in Vancouver as a group, and not individually, at his early convenience? Will the minister answer that question?

Mr. Nicholson: I think these cases will have to be dealt with now on an individual basis. I would be prepared to meet with them individually rather than as a group.

Mr. Winch: May I ask why you will not meet them collectively?

LABOUR CONDITIONS

MEASURE RESPECTING HOURS OF WORK, MINIMUM WAGES, ETC.

The house resumed, from Tuesday, October 13, consideration of the motion of Mr. MacEachen for the second reading of Bill No. C-126, respecting hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Mr. J. C. Munro (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, for a few minutes prior to the house rising last night I had been speaking about the new Canada labour standards code introduced by the minister yesterday. The essence of my introductory remarks at that time was by way of complimenting the government and the minister for bringing forward this type of progressive legislation which is badly needed. I referred also by way of introduction to the main elements of the bill. Provision is made for a minimum wage of $1.25 per hour, to limit the number of working hours per day to eight and the number of working days per week to five, the total number of hours in a working week to 40. Provision is made also for overtime pay over that number of hours per week to the total of eight. Seven statutory holidays have been provided, and if work is performed on those days provision is made for overtime pay. The only remaining feature of the bill with respect to standards is the provision with respect to two weeks vacation for each year of employment with pay, or in lieu thereof 4 per cent of his wages if he has not worked for a total of one year.

These standards are generally in line with all the presentations that have been made to this government, and are in line with our commitments. I think that in the discussion that ensued yesterday with regard to this bill, the two general features of the bill could have been dealt with in greater detail. The two general features, as I see them, are the elements relating to the minimal nature of the standards and the scope of the bill in its application to the number of people under federal jurisdiction, and the constitutional jurisdiction that has been assumed by this legislation. There were several references yesterday by hon. members to this measure as setting a standard. I feel it would be more accurate to say that the bill sets a minimum standard in relation to the five elements I mentioned earlier. In this way it is designed to be example setting legislation for other jurisdictions in our country.

The second, and what I consider to be the more novel, general feature of this bill is the number of people in Canada under federal jurisdiction to whom it applies in the labour field. As we all know, under the British North America Act our legislative scope in this area is severely limited. When we look at other labour legislation dealing with standards —and I am not talking now about legislation dealing with labour relations—we see that the Fair Wages and Hours of Labour Act applies essentially to employees who work for a contractor who has a federal contract and the federal government is of course, one of the principal contracting parties to that arrangement. This act does not affect directly federal employees of crown corporations or employees of the federal government, nor employees in industries, private or otherwise, falling under federal jurisdiction so it is quite limited in its scope. The only other type of legislation that I believe is noteworthy in the federal area which deals with standards is the Annual Vacations Act, and I understand that it affects only federal employees directly. However, I believe that particular measure does not have the scope of this particular bill, because the bill we have before us applies to national industries whether they be privately owned or otherwise, falling under federal jurisdiction as outlined in clause 3, the application clause of the bill. The industries, businesses or firms affected, generally fall under the headings to which the minister referred yesterday, namely transport, communications, banking, uranium mining, grain elevators and certain works carried on by federal government corporations. I believe, by way of example, reference could be made to Polymer, the Canadian National, C.B.C., the national film board and so on. When we look at this bill and understand the application of the section applies to private industries within federal jurisdiction, we can see that the scope of this measure is as wide indeed as the federal

government can really hope to design it in the labour standards field, and at the same time remain within the jurisdiction allocated to it under our constitution. I believe it is particularly commendable that the bill relates to this wide area so far as the number of employees affected is concerned.

I have made inquiries over a period of time as to how many employees would be affected by this legislation, as well as other private members bills dealing with the same area. The number of employees to whom this legislation refers run anywhere from 400,000 to 500,000. Of that total number, the closest estimate I have been able to obtain of the number of people who will directly benefit from the legislation, is 50,000. In other words, these are people who are working under conditions which are below the level set out in this bill. I think we can say that this legislation, as example setting legislation in the federal field, does at the same time embrace quite a number of people who are going to benefit substantially from it. It is a good exercise indeed to multiply some of these figures. If the measure affects roughly 400,000 to 500,000 people who come within the jurisdiction claimed by the bill, and you multiply that by 3.9, which is the average family according to the last census, we can see that the measure will affect a great number of Canadians. Certainly if you say that roughly 50,000 people are going to benefit directly and substantially by the implementation of this legislation, and you multiply that figure by 3.9, then I think one is justified in saying that the bill is commendable for the really tangible assistance it is going to provide for many people now working within federal jurisdiction.

Another aspect of the legislation in connection with jurisdiction, I think, is the constitutional jurisdiction claimed by the legislation. From a reading of clause 3 of the bill we can see that it includes all those areas that fall within federal jurisdiction, so I do not believe it could be wider in scope. There are certain main words which I feel should be emphasized in connection with the application clause for this measure. They are:

> This act applies to and in respect of employees who are employed upon or in connection with the operation of any work, undertaking or business that is within the legislative authority of the parliament of Canada excluding any work, undertaking or business of a local or private nature in the Yukon territory or Northwest Territories—

Then, the clause gives a list of undertakings included, but without restricting the generality of the foregoing statement. I do not believe I have seen any federal legislation which has claimed any wider jurisdiction in relation to the labour field. I think it is particularly commendable on that score. I would hope that this measure takes into account an element put forward in the private bill of the hon. member for Winnipeg North Centre (Mr. Knowles), Bill No. C-36, in clause 2 of which "employer" was defined as

> —any person, firm or corporation employing one or more employees and includes every agent, manager, representative, contractor, subcontractor or principal and every other person who either—

And the definition continues in considerable more detail. The words I am interested in are "contractor" and "subcontractor", and I would hope that clause 3 of the minister's bill will take into account many employees working under contract or, if you like, under subcontract. I hope the minister and his department will arrange to enforce this legislation with respect to all such contractors and subcontractors.

One excellent case, commonly known as the stevedoring case, which went to the supreme court in 1955, dealt with this matter. It involved a section in the Industrial Relations and Disputes Investigation Act, which claimed just about equivalent jurisdiction as does this bill, although in that particular case the legislation did not in the true sense deal with labour standards but rather with procedures in labour relations.

In that case the application of a particular section of the Industrial Relations and Disputes Investigation Act came before the supreme court, and the question involved certain employees of the Eastern Canadian Stevedoring Company in Toronto. The court held that the act applied to the company's employees in Toronto, employment of stevedores being an essential part of navigation or shipping, which are specific items covered in this bill. I believe that type of decision certainly would embrace contractors and subcontractors whose work can be regarded as an essential part of any work or operation that falls within federal jurisdiction.

We all know that at various times this business of contracting and subcontracting has been used as a device to defeat government labour legislation, but I hope the wording in this bill is such that it will limit that type of activity to an absolute minimum.

Another matter connected with this bill that should be emphasized, and to which I referred last night, is the tangible effects it

will have in areas which its jurisdiction does not cover. One of these, which has been mentioned by many members including myself, is the pressure it will bring on the provinces to pass a similar type of legislation which will cover all employees across Canada. Related in a sense to that effect is the consideration that the legislation will also go some of the way toward combating poverty in Canada.

Last evening I said there had been a great deal of talk in the United States on the question of poverty. A considerable amount of legislative action has been taken in the U.S. to combat poverty, and I think much legislative action has also been taken in this country to deal with it. However, I do not believe there has been enough discussion in this parliament on the extent of poverty, and it would be useful if all hon. members were fully aware that it is a serious problem in the country. Hon. members should know how many people are affected, and should be aware that many authorities claim that minimum standards legislation, and particularly minimum wage legislation, are tools to combat poverty.

In this connection I refer to a speech made by the Minister of Labour (Mr. MacEachen) to the trade union summer school at St. Francis Xavier University on June 24 last, in which he disclosed some very interesting figures. In that speech he dealt with one set of figures which I think are alarming. He said:

> But when we go even deeper into the figures—

He was referring to the figures derived from the last census in 1961.

> —we find that among 3,600,000 non-farm families in Canada almost 850,000 have cash incomes of less than $3,000 a year. That's more than one out of every five families.

If you multiply that number of families who have cash incomes of less than $3,000 a year by 3.9, which is the average sized Canadian family, we can see there are well over 3 million Canadians subsisting on something less than $3,000 a year, and in many cases substantially less than that. This could certainly be regarded as poverty.

Another interesting quotation from the minister's speech which I think should be brought to the attention of the house is this:

> We will do the federal part in raising minimum wages without destroying job opportunities.

No matter where one looks he finds there is always this advocacy that minimum standards legislation he passed in any purposeful campaign to deal with poverty. Again I say I hope this legislation will be an incentive to provincial legislatures to pass similar measures that will deal with the alarming number of Canadians living at or below subsistence levels.

Further figures are also given in the recent ninth volume of *Canadian Labour* a Canadian Labour Congress monthly publication. They point to the necessity for this type of legislation being passed by parliament, and to the necessity for other legislation designed to curb poverty. In its publication, *Canadian Labour*, the congress pointed out that according to the last census 30 per cent of Canadian wage earners do not earn enough to pay income tax, and they estimate that 30 per cent represents 2 million workers. It further pointed out that 55 per cent of those who do pay income tax earn less than $4,000 a year, and 34 per cent earn less than $3,000 a year. It further estimated that the number of those paying income tax but earning less than $3,000 a year totalled 1½ million workers. If that 1½ million is added to the 2 million who do not pay income tax at all, it gives a figure of about 3½ million people.

These figures are at some variance with the figures I quoted earlier from the minister's speech, but they do emphasize the alarming number of Canadians living at or below subsistence levels, and they stress the necessity for this type of legislation. If we multiply this figure of 3½ million by 3.9, which as I say is the average size family, we get some idea of the possible number of Canadians existing on extremely low incomes. Everybody can interpret these figures in different ways and some people come to more alarming conclusions than others, but no matter how one looks at them the conclusion reached is certainly alarming. Other Canadians who have undertaken considerable research into this question have verified as much.

Mr. Lambert: Would the hon. member permit a question? I wonder whether in his compilation of figures he has taken into account the incidence of double employment. Has he taken into account how many of those employed at the lower levels of wages, especially, actually occupy two jobs?

Mr. Munro: I can only answer the hon. gentleman by saying that these figures come from the dominion bureau of statistics and were accumulated during the last census in 1961. Many questions were asked when that

census was taken with respect to incomes earned. I would think Canadian employees holding two jobs would have made the position clear.

For these reasons I think legislation of the type before us is particularly helpful. I think the present bill falls within the general design of the legislation which was brought forward by the previous government and the legislation which this house has adopted during the past year. I hope this labour standards legislation will be regarded as another phase of governmental attack on poverty. I hope that all the programs which have been initiated by the previous government together with those which have been put into effect over the last year will be co-ordinated so as to combat poverty more effectively. If this is done I think we can regard the measure before us as being truly a step forward.

In this connection I should like to read into the record one excerpt from the minister's speech—the speech to which I referred on January 24, 1964. It is as follows:

> It may be that to break the vicious circle in which they—the poor—find themselves we shall have to launch a frontal assault on the problem not only by a measure of integration of our present federal programs with these problems in mind but also by working more closely together with the provinces.

This is the pattern which has been followed in the United States.

There is another aspect of this legislation with which I should like to deal. It has to do with the political justifications of the standards set out in this bill. In this connection I would refer hon. members to the last memorandum presented by the Canadian Labour Congress to the government of Canada—a memorandum dated December 11, 1963. This is what the congress had to say with reference to labour standards:

> We have on previous occasions advocated a minimum wage act providing for $1.25 an hour and an hours of work act establishing 40 hours a week as a maximum, and amendments to the Vacations With Pay Act.

Then the brief goes on to deal with other matters. I think it can be said that the legislation before us is on all fours with that particular recommendation, one which came from the principal labour organization of this country. For this reason I believe the standards set out in the present bill will commend themselves to hon. members. I would point out, too, that the provisions in this bill measure up to the standards advocated in various private members' bills which have already been discussed in this house or which, though before us, have not yet been discussed because an opportunity has not arisen. I refer principally to the bill sponsored by the hon. member for Winnipeg North Centre (Mr. Knowles). His Bill No. C-36 recommends in essence the same standards as are contained here, except that the statutory holidays for which he asks amount to eight compared with the seven set out in the bill before us. The hon. member is requesting a minimum wage of $1.25 an hour as of February 20, 1964. There is further justification for the standards embodied in this legislation on the basis of the commitments of this party during two election campaigns. These commitments have been included in the Liberal party leaflets. We gave firm pledges that these standards would be incorporated in legislation and brought before parliament, and the standards contained in this bill are in line with the commitments this party made to the Canadian people prior to the elections of 1962 and 1963.

Mr. Knowles: And in 1919.

Mr. Munro: That is going too far back for me.

I think the situation today certainly justifies the passing of this legislation, taking it in the context of the amount of discussion there has been on the question of poverty in this country and the revelations with regard to it.

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

Mr. Munro: Yes.

Mr. Knowles: In view of his reference to the minimum standards set in the present bill and his statement that they are similar to those for which such bodies as the Canadian Labour Congress have asked, can the hon. member tell us whether he is aware that at its convention in April this year the Canadian Labour Congress altered its previous request to the government and asked that the minimum wage standard be raised to $1.50 an hour and that there should be nine statutory holidays?

Mr. Munro: Yes, I am aware that such a resolution was passed by the C.L.C. at its last annual meeting. But I limited my own remarks to the recommendation of the congress as embodied in its last submission to the government. I believe these submissions are made every year—

Mr. Knowles: The hon. member said last night he wanted to be up to date, that he did not want to talk about the past.

Mr. Munro: I am only going back to December 11, 1963, yet the hon. member is complaining. He should understand, then, how I feel when he goes back to 1919.

Mr. Knowles: I know how you feel.

Mr. Munro: I think it can properly be said that the standards contained in this bill come within the area of those which have been advocated by many organizations during the last few months. I assume that the submission of the Canadian Labour Congress as to the $1.50 an hour will shortly be incorporated in some formal submission, probably as part of the next memorandum.

I would remind you, Mr. Speaker, that the hon. member for Winnipeg North Centre was most complimentary with respect to action taken by the government to establish $1.25 an hour as the minimum wage and I take it, therefore, that neither he nor the congress are too critical of the standards set by this legislation. In this regard I think the C.L.C. did issue a statement indicating support of the provisions of this bill only a few weeks ago. However, it did refer to the fact that the amount requested was recently increased from $1.25 to $1.50. I might also point out that unless I am badly misinformed the last private bill which dealt with this matter was the hon. member's own bill of February 20, 1964; I do not believe he has submitted a further private bill to provide for this increase. I might add that this bill was dated February 20, 1964, so I am only going back a few months—not to 1919.

Mr. Knowles: In view of the hon. member's desire to be up to date, does he not recall that during the debate on the bill he mentioned I pointed out that the C.L.C. had since recommended a minimum wage of $1.50 and that I suggested that when the bill got into committee the alteration should be made accordingly? All I want from the hon. member is that he should be up to date.

Mr. Munro: I am only surprised the hon. member for Winnipeg North Centre has not found time to put in the hopper a bill advocating this $1.50.

Mr. Knowles: Are you challenging me?

Mr. Munro: Not necessarily. I think it can be said for all these reasons that this legislation commends itself as far as the standards are concerned. It is also in conformity with this party's own political commitments made at the time, which were in essence I believe the same as those of the New Democratic party prior to the last two general elections, namely $1.25 minimum wage. For that reason there can be little question of the standards involved.

As I said earlier, and as I say again in conclusion, I hope this legislation will fall within the general design or area of governmental legislation which has been passed and is anticipated in the future. If this is regarded as a further step in an over-all program, and if we carry forward now and combine the various government agencies to fight unemployment and lift the income of the lowest income groups in the country—and this can best be done by combining all the government agencies—I say again that this would go a long way. I think the bill is also in keeping with the general design of the government in matters affecting training of the unemployed or making grants to industry for training people already employed in industry.

I say this because education, as has been emphasized, is a very important part of coping with poverty. I think it is in keeping with the governmental program regarding re-employment of—

Mr. Deputy Speaker: Order. I have to interrupt the hon. member because his time has expired.

Mr. Knowles: He is used to talking these bills out.

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have one or two very brief observations to make with respect to this bill. I am not going to hold up the house in what I have to say more than a few minutes. As hon. members know I am always brief and to the point when I speak on matters of this nature. However, I cannot help observing that I listened for about ten minutes to the hon. member for Hamilton East (Mr. Munro) drawing this gloomy picture of poverty in Canada, a habit hon. members opposite acquired while on this side of the house, and yet I reflect on what the Minister of Finance (Mr. Gordon) had to say a week ago about Canadians never having had it so good. It seems to me that these two statements do not tie together very well. I was speaking to a chap the other day who said that he had not had a job since the Liberals came to power. He said to me that the Minister of Finance had said in the House of Commons that we had never had it so good in Canada, that

the economy is really rolling; and yet this fellow has not had a job since the Liberals came into office. He said: "Yes the Minister of Finance is right; I have never had an easier or nicer time in all my life. I had been employed all my life until two years ago, but have been unemployed for the last two years. Yes, the Minister of Finance is right".

Mr. Gray: Would the hon. member permit a question. Is the person to whom he is referring a defeated Tory candidate?

Mr. Nielsen: No; as a matter of fact he is a Liberal living in Ontario. However I want to direct a serious observation to the minister with respect to the application of this act.

The minister will have noted—I did raise this question with him privately—that the Yukon and Northwest Territories are specifically singled out as exceptions to the application of this act. I cannot for the life of me think of any reason for this. Like the provinces the Yukon—and I can speak knowledgeably of the Yukon in this specific instance—has an act, the Yukon Act, under section 16 of which the legislative council of the Yukon has exclusive jurisdiction over the same class of subject matter as do the provinces. Labour is one of them, it being a matter of a local or private nature. I am wondering why these two territories have been singled out as exceptions. I hope the minister will reply before we get into committee because it may be that an error has been made and that an amendment will be necessary to eliminate the exceptions which have been made of the two territories.

The labour provisions ordinance governs working conditions and hours of work in the Yukon territory. That ordinance was passed pursuant to the exclusive legislative jurisdictional authority which has been placed in the Yukon legislative council by the federal Yukon Act. I believe the situation is the same in the Northwest Territories, but my colleague from the Northwest Territories (Mr. Rhéaume) will be able to enlarge upon that.

May I say to the minister that clause 3 is one more indication why it becomes essential for federal-provincial conferences, where such matters are discussed, to include members who are familiar with the affairs in each of these territories to act at least as observers so that they can be asked questions first hand. My colleague from the Northwest Territories has on several occasions, as I have myself, advocated that when these conferences are held there should be representation on them, either by way of observers or otherwise, from the two territories. This sort of thing would be remedied if that first hand advice could be sought.

I imagine that when the minister speaks later on he will be giving the house some explanation as to how he expects this legislation to tie in with existing legislation in the provinces and the territories. Under the labour provisions ordinance in the Yukon, for instance, the minimum work week is 44 hours, except in the case of miners, who are required to work 48 hours a week.

I believe this legislation is desirable. We have been waiting a long time for this type of thing. It can do nothing but benefit the workers in my riding, and I am sure the workers right throughout Canada. The quicker the legislation is on the statute books, the better we will all be for it. With the request to the minister, then, that in closing the debate he answer the specific question I put to him with regard to clause 3, so that if there is need for an amendment I might discuss it with him perhaps privately and be helpful in suggesting a method of procedure, I have no further comments to make.

[*Translation*]

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, it gives me pleasure to join with the hon. members for Ontario (Mr. Starr), Winnipeg North Centre (Mr. Knowles), Red Deer (Mr. Thompson), Lapointe (Mr. Grégoire), Hamilton (Mr. Munro), Yukon (Mr. Nielsen) and others, to congratulate the Minister of Labour for the courage and tenacity he has shown in preparing and presenting the piece of legislating dealing with hours of work, minimum wages, paid annual leave and holidays for federal projects, enterprises and businesses, in brief, a Canadian code of working standards which has long been awaited.

Mr. Speaker, a nation which has the courage to adopt progressive labour legislation shows that it is mature and this constitutes an excellent example for many other countries in the world.

I have no trouble reconciling my remarks today with respect to the legislation under consideration with the personal views I expressed on March 6 and June 12 last, when the hon. member for Winnipeg North Centre introduced bills dealing with related questions.

I cannot let this opportunity go by without saying that I have no difficulty at all in doing so because, last October 7, the press gallery correspondent of a certain Montreal

newspaper, *Montréal-Matin,* wrote that I would have trouble reconciling my present attitude with my statements of March 6 and June 12, 1964.

It is an article entitled:

A Liberal member talks too much.

In that article we read the following:

He opposed measures which are advocated at the present time by his party.

Mr. Speaker, if a member speaks too much in this house, I wonder if a parliamentary correspondent does not write too much.

I also wonder why this parliamentary correspondent, who can obtain all copies of *Hansard* and of speeches delivered in this house, waited until the month of October to write his article and say that on March 6 and June 12, 1964, the member for Lafontaine stated this and that.

The first time, that is on March 6, 1964, the house was considering a bill providing for two weeks vacation after one year of employment. On June 12, 1964, the bill provided for a minimum wage rate of $1.25 per hour.

Mr. Speaker, I wonder how the press gallery correspondent could come to such conclusions, especially if he took the trouble to read what I had said. I suppose he did not have enough time, because he could easily have realized that I supported the labour standards mentioned in the legislation now before us. It may be that he is preparing his campaign for the next election. I suppose it is his privilege, but I do not think the people of Lafontaine riding or the rest of the country could fall for such publicity.

Mr. Speaker, perhaps I would not have raised the matter if it were not for the fact that, in the past, I had the opportunity to deal with the labour class, with the leaders of labour movements. I must admit that I had not read the article referred to because I very seldom read that newspaper. However, several people got in touch with me to ask how the hon. member for Lafontaine could be against the labour standards proposed in this legislation.

I immediately made a point of checking with the heads of that paper and I have in my mind the article entitled: "A Liberal member talks too much".

I have absolutely no hesitation in saying that I see no difficulty in reconciling th remarks I made on March 6 and June 12 with those I wish to make now concerning the legislation introduced by the Minister of Labour.

[Mr. Lachance.]

However, here is what that article said:

Wages—same support, on June 12, 1964, to a minimum wage of $1.25 per hour but with the following reservations: "If the minimum of $1.25 is extended to all regions, there would be reasons to believe that there will be more benefits for industries located away from larger cities.

Mr. Speaker, the press gallery correspondent certainly did not check page 4278 of *Hansard* for June 12, 1964, because he did not say so in his report. But if one refers to my remarks, one can read this:

Far be it from me to be against a minimum rate of $1.25 but we must face the facts, and those are problems which must be discussed and examined thoroughly before setting up legislation for that purpose.

One can certainly not say that I am against the setting up of a minimum wage.

And a little farther I said:

The hon. member for Winnipeg North Centre introduced a bill suggesting a minimum wage of $1.25 an hour. In a year or two, it might have to be increased to $1.50.

If the press gallery correspondent for the newspaper *Montréal-Matin* did not refer in his report dated October 7 to the paragraphs I just quoted, I insist on reminding him of the speech I made on June 12, 1964 and on asking him to add the two paragraphs I read to the report he published on Wednesday, October 7.

The press gallery correspondent was once active in politics, and perhaps he is preparing his next election campaign. That is why I wanted to clear up those points.

Mr. Speaker, I feel that the people in Lafontaine county and those of labour circles did not believe that report, because according to another important and popular newspaper in Montreal, the report may have seemed biased, for it does not speak the whole truth.

Mr. Speaker, I am glad to see this bill before us today. I hope that it will have an early implementation and that it is the forerunner of other labour standards. In my opinion, it is a shy attempt, but often a shy beginning leads to a better ending.

I think that other labour standards will be considered by parliament, and I shall have, no doubt, the opportunity to discuss the matter further in committee of the whole.

[*Text*]

Mr. Mather: Mr. Speaker, on a point of order. I am wondering whether there is a quorum in the house at the present time.

Mr. Deputy Speaker: Yes, I believe there is a quorum in the house.

Mr. Gene Rhéaume (Northwest Territories): Mr. Speaker, I should just like to take a moment or two to echo the dismay of my colleague, the hon. member for Yukon (Mr. Nielsen) in relation to the bill before us which specifically excludes the Northwest Territories and the Yukon territories from its provisions. I rise not only because these areas are excluded, but because it seems to me to be a sad state of affairs when, in the introduction of legislation of this kind, the minister does not even refer, in passing, to those two northern areas of our country, which for some reason or another known only to the minister were not included. I am not quarrelling with the minister, but it does raise this question in my mind. Why in the world would the minister not want the legislation to apply to those two areas of the country where more than in any other areas of Canada there are federal operations and large numbers of undertakings being carried out by the federal government?

I do not want to rub it in, but when the minister was having his conference with the provincial labour ministers early this year I raised the question with him. As can be found on page 134 of *Hansard* I asked him if it would be possible to have representatives of the Northwest Territories and the Yukon Territory sit in on these meetings and the minister promised me at the time that he would look into the matter. I know he was very busy but he said he would look into it and give the house an answer. For some reason or other the conference was suddenly upon us and he either could not or did not make a decision to allow spokesmen from these two territories to participate in the discussions. It makes me ask this question: Who in the world was it that gave the minister his advice? Was the advice, such as it was, checked against the opinion of residents of the Yukon Territory and the Northwest Territories? Was any contact made by the minister with the councils of the Yukon and Northwest Territories to find out if there was any way in which the legislation could be changed or revised to aid and abet those of us who live in the north, in our efforts to get suitable labour legislation? I know for a fact that the minister never discussed any of the provisions with me and I am certain he never let the hon. member for Yukon (Mr. Nielsen) know what his intentions were.

On many occasions in the house I have pointed out to the minister the need for a careful study of the whole question of labour legislation in our northerly areas. I have also raised many other problems with him that I felt his departmental officials should be investigating. If he had deigned to take my advice or had even looked into my suggestions he would have found that useful research needs to be done. In his comments last night the hon. member for Winnipeg North Centre (Mr. Knowles) noted this shortcoming. Indeed, Mr. Speaker, between the hon. member for Kootenay West (Mr. Herridge) protecting my rivers in the north from exploitation and the hon. member for Winnipeg North Centre protecting my people, there is not a half decent cause left for me to champion.

Mr. Herridge: We know you are a worthwhile fellow to support.

Mr. Rhéaume: I would hope the minister would not only give us an explanation on this occasion, but would keep the matter in the back of his head.

Mr. Knowles: Get it to the front of his head.

Mr. Rhéaume: Well, there is lots of room in the minister's head. At any rate, I would hope that this kind of oversight does not occur again. As a member of this house it is a continual source of dismay to me that every time a piece of legislation comes before the house or an announcement is made there is no mention of the northerly areas. I am not too thin-skinned, but I feel the time has come when those who sit on the treasury benches are going to have to remember that there is a large piece of Canada that does not readily fall into the sphere of federal-provincial relations. They have got to consider these matters, and I can guarantee that on every occasion from now on that members of the treasury benches fail to refer to these two territories they can be sure that the hon. member for Yukon and myself will be up on our feet bugging the treasury benches until we get some recognition.

Mr. Nielsen: They are already bugged.

Mr. Rhéaume: I am convinced that somewhere in the federal bureaucracy there is a minor and evil bureaucrat whose sole job it is to go through proposed pieces of legislation to make sure that all good programs such as unemployment insurance, ARDA and so on contain within their provisions no reference to Indians, minority groups and the Yukon and Northwest Territories.

I was fascinated by the statement of the hon. member for Hamilton East (Mr. Munro) that there is a recognition today that mil-

lions of Canadians are not affluent and, indeed, that millions are in poverty. I suspect that the government has picked up this technique from our friends south of the border, where a massive campaign is being based on unexcelled prosperity on the one hand and on a war on poverty on the other hand. In any event, I am happy there is a realization that some parts of our country are having a pretty tough time and that this kind of legislation is needed.

I believe I have made the point that those of us who live in the northerly areas are tired of being excluded from the provisions of good programs. It should not be up to me to do it but at some point I can see the member from the Northwest Territories rising in his place during the committee stage to move an amendment that the title of the bill be changed to "southern Canada labour standards code". We are going to have to consider this sort of thing if no reference is made to the territories.

When the minister rises to close the debate I hope he will explain his thinking whereby the two northerly territories are excluded. Furthermore, I hope he will indicate whether or not he is prepared to put forward some kind of suitable amendment when this good legislation is being considered in committee, because I believe there should be some way of working out a mutually acceptable amendment to include the two northerly areas of our country.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to get into this debate and speak on this measure because I do not believe any legislation has come before the house that is of greater general interest to my constituents than the bill now before us. It deals with hours of work, with vacations with pay, with minimum wages, the sort of things that concern people that I for one was sent here to represent. Therefore, although I perhaps have nothing very original to add to what has been said already, I want to enter the debate.

I do not want to detract from the chorus of congratulations in which the Minister of Labour (Mr. MacEachen) has been basking since he introduced this bill. I think it is good legislation and I join with other members in all corners of the house in welcoming it. I do not disagree with the hon. member for Hamilton East (Mr. Munro) who pointed out that with certain exceptions which have already been noted the legislation goes as far as the constitutional structure of this country permits at the present time. We have already heard about the exceptions, of course, in respect of the Yukon Territory and the Northwest Territories and I will not repeat what has been said on that matter.

I notice that for some reason which is not clear to me—perhaps we can discuss it in detail later—members of professions will not get the benefit of this legislation. As I am a member of a profession may I say that if I were employed by a federal agency I would very much like to be included in the legislation. I should like to ask the minister why members of professions are excluded.

Mr. Byrne: You will have to resign as a member if you want to come down to these hours.

Mr. Knowles: I think lawyers ought to get $1.25 an hour too.

Mr. Brewin: In the case of members of professions, it really was not the wage rate that concerned me so much, but rather vacations with pay which seem to be strangely lacking for some of us in this part of the world at any rate.

Having said that I welcome this legislation, Mr. Speaker, I think it only proper to point out that this is not a national labour code in that it only covers—I am not blaming the minister or the government for this—approximately half a million employees at the present time. It is true that they are in important industries under federal jurisdiction. However there are over five million people gainfully employed in Canada, and the result of this is that the present legislation deals with only one tenth of all those gainfully employed in Canada.

I realize, and I want to deal with this for a moment, that the reason for this is that our constitutional structure brings the question of minimum standards for labour largely within the field of provincial jurisdiction. I want to urge the government, and the Minister of Labour (Mr. MacEachen) in particular, not to be satisfied with the maintenance of this situation, not to be satisfied with saying that we in the federal field are setting an example which we hope will be followed by others. In my view, Mr. Speaker, it is absolutely essential that in Canada we establish certain minimum standards of labour legislation across Canada as a whole. Of course there are fields which are properly within the provincial sphere, and there always will be in Canada.

The last time any careful survey was made, so far as I know, of the respective fields of labour legislation by anyone looking at the total picture of jurisdiction was at the time

of the Sirois report which, as hon. members will know, was made shortly before the last war. The problem of course was temporarily removed by reason of what happened during the last war, and the fact that federal jurisdiction was expanded. However, we are back again in a situation where we do not have reasonably uniform standards. I point out what was said by Professor Grauer in a brochure he prepared on labour legislation for the Sirois commission. He said:

> First, there is a marked lack of uniformity in legislation as between the provinces.

He then went on to deal, and I shall not quote him in detail, with the failure to implement international conventions. This was mentioned in the house a day or two ago. Then he dealt with the fact there is no adequate technique worked out for co-operation in bringing about more uniform standards of labour legislation. Then, Mr. Speaker, he went on to say this:

> The lack of uniformity of labour legislation as between provinces has serious implications for internal policy. In the first place, it has to some extent encouraged competitive bidding between provinces for industries at the expense of labour standards. Where industries with poor standards have been encouraged, sore spots in labour relations and social conditions have been created. Once established, these sore spots are very difficult to get rid of.

The hon. member for Hamilton East (Mr. Munro) spoke about poverty in this country, and it is in these sore spots to which he referred.

Mr. Nielsen: The Minister of Finance says there are none.

Mr. Brewin: I do not happen to agree with him. This article goes on to say:

> In addition, as long as competitive bidding for industry is allowed by labour legislation, there will be bad feeling among workers and bad feeling between provinces. In the second place, lack of uniformity in labour legislation is in itself a condition that prevents adequate and more uniform standards being set.

It creates difficulties in the way of enforcement and leaves the way open for undesirable economic and financial results, because they encourage or allow industries with poor standards. Now, in order to deal with this problem, Professor Grauer referred to various remedies, one of which I do not think we would accept now. I refer to his suggestion to turn over to the dominion parliament jurisdiction in the whole field. Another method he suggested was concurrent powers, with the dominion being granted the right to implement international conventions and so set minimum standards while the provinces retained residual powers with a right to enact higher standards. The third one he suggested was to leave the jurisdiction as at present and work out some mechanism for consultation and action in setting standards.

His recommendations were adopted by the full commission, which ended this chapter of its report dealing with labour legislation as follows:

> In order to protect the principle of freedom of trade between provinces and to facilitate the handling of relief for employables by the dominion, the dominion parliament should have jurisdiction to establish basic minimum wages and maximum hours of labour, and to fix the age of employment, leaving to any province jurisdiction to raise minimum wages, lower hours of labour, or raise the age of employment if it so desires. But, as noted previously, the powers of parliament should be precisely defined in order to protect the autonomy of the provinces.

The minister may well say that this is a matter to be taken up perhaps with his colleague the Minister of Justice (Mr. Favreau) when constitutional issues are being discussed. However, I suggest we will not have satisfactory conditions within Canada as a whole until we accept the principle that, at least in basic industries in which employers and trade unions are national in scope, these standards shall be national in scope as well. Whether this can be done by delegation from the provinces to the federal government, whether by constitutional amendment, whether by closer working together of the provinces, it seems to me that is urgently needed.

Just a few days ago the Ottawa *Journal* produced a list of the existing provincial minimum wage rates. They make talk of a uniform standard of living in Canada rather ridiculous. In British Columbia the rate is $1 per hour. Of course in each of these cases there are certain exceptions. In Alberta, it is $34 per week for centres of 5,000 population or over and $30 per week for centres under 5,000 population. In Saskatchewan it is $36.50 per week for ten cities. In Manitoba, it is 75 cents an hour in the cities and 70 cents an hour elsewhere. Ontario started with $1 per hour in industrial areas and is moving toward making that general. In the Montreal area of Quebec it is 70 cents an hour and elsewhere 64 cents an hour. The notation for Prince Edward Island is $1 per hour for men, and then there is a note which I do not understand, "less 80 cents in the food processing plants". If this is correct it would give food processing plants a very

low minimum. The rate for women laundry workers only is 55 cents an hour. In Nova Scotia it is $21.60 per week in major centres. I understand there are hearings at the present time with a view to establishing a new rate. In New Brunswick, the rate is 60 cents per hour.

These minimum rates present a hodge-podge picture across Canada which, as I say, in the long run creates depressed areas. This creates the situation mentioned by Professor Grauer of competition between industries in the various provinces. I hope that while we have now or we will soon have a Canada labour standards code, the minister and the government, and this parliament as a whole, will try to see to it that we do really expand the field where uniform standards can be established across Canada. This would not prevent provincial autonomy in connection with improving standards; it would not take away responsibility for safety precautions; it would not take administrative responsibility away from the provinces, but it would establish certain basic standards which I suggest would help to deal with the pockets of poverty to which the hon. member for Hamilton East referred a few minutes ago.

I do not want to repeat what has been said by other hon. members. However, there is one feature of this legislation I wish to mention, and that is the question of vacations with pay for people who have been employed for a considerable period. This is something to which the hon. member for Winnipeg North Centre (Mr. Knowles) referred.

The bill falls short of the standard proposed by the Canadian Labour Congress, and in my view falls short of a reasonable standard. Why shouldn't employees who have been employed for a considerable period—I do not intend to stipulate a period but I would like to see it a short period—receive three weeks vacation with pay in this day and age of automation? I know as a professional man that I started getting three weeks vacation with pay after one year in the office in which I worked, and I cannot understand why those who spent a long period in industry—after 30, 20, or ten years of steady employment—should have their vacations cut short.

It has always been demonstrated that reasonably long vacations produce better workers and add to the productivity of industry. In this age of automation, when experts talk about the fact that they will have to pay us for not working, it seems ridiculous that we should be laying down a standard for Canada that does not recognize a minimum of at least three weeks vacation with pay for those who have been in steady employment in industry.

Many of the other things I would like to say can be said more appropriately at committee stage. There are various details we intend to discuss, but one matter I would like to mention now is the question of the regulations, because the success of so much of this bill will depend on the regulations. Much will depend on the exemptions which may be granted by the regulations, or upon the deferments that may be granted by them, and I urge the minister to make the details of the regulations available to the house as soon as possible. I know there are provisions for some of the regulations to appear in the Canada Gazette, but any hon. member who has tried to find things from the Canada Gazette knows how inadequate a means of publicity it is.

Under clause 51 there is provision that upon the submission "of any person" the minister may defer or exclude the application of part I of the bill, dealing with hours of work, etc. I am not suggesting this is not entirely necessary, but I am wondering why it would not be possible to ensure, by some specific provision, that before this is done adequate notice be given to the employees who might be affected, or to their unions, so that they too can attend and make submissions. Presumably in the first instance "any person" would be an employer, and I think it would be unfortunate if under clause 51, and also under clause 52, submissions were made by one party without the other parties involved being notified. In that respect I think the bill could be improved.

In summary, Mr. Speaker, I would like to say once more that we welcome this legislation, in our opinion long delayed but welcome none the less. There are specific improvements we would like to see made to it, and we urge that the measure be regarded merely as a start. In this age of automation any standards we adopt today will be inadequate shortly hereafter. We should be constantly pressing forward to improve our standards in this field of labour legislation, and by doing so we would benefit not only those directly affected but also the community as a whole.

No one benefits from depressed conditions in industry, whether directly involved in industry or not. A community that has enough sense in this age of automation to shorten hours, to provide adequate vacations, to provide adequate minimum wages and does so

will go forward, and any other sort of community will not.

Mr. H. E. Gray (Essex South): Mr. Speaker, I am happy to have the opportunity to rise and say a few brief words in support of this legislation creating a Canada labour standards code. When I say this I know I reflect the views of a great many members on this side of the house, some who entered it in 1962 and others who entered it in 1963, because this proposal formed an important part of the program on which we sought election in those two years.

I think it could also be pointed out that some of the happenings of a more sensational nature in this house have tended to obscure the fact, to a quite significant degree, many of the other important measures in that program have already been presented to parliament and put into effect. One example is the area development agency and another is the government's tax incentive program. Now we have the Canada labour standards code presented and this has been done, so far as I and the other Liberal members to whom I have referred are concerned, not because of any prodding by hon. members on the other side of the house but because of our own belief in and feeling of conviction with respect to the need for this type of legislation.

Though reference was made by the hon. member for Winnipeg North Centre (Mr. Knowles) to 1919—it must be some type of mystic number for the N.D.P.—in this respect his was a voice of and from the past. The fact is that members of the Liberal party who entered the house in 1962 and 1963 made pledges during those elections, pledges which were part of the program on which we campaigned. It is a source of gratification to us that this legislation has been presented to parliament less than two years since the government took office, and within less than three years of the pledges which members such as I made when seeking election to the house. I suggest it is only realistic to look at this matter in the context of today's world of economics and labour relations.

The hon. member for Winnipeg North Centre yesterday thanked the government on behalf of the organized labour movement, but it has occurred to me that when one considers the number of union members not affiliated with the N.D.P., and the fact that many Liberal members from urban areas could not possibly have been elected without the support of men and women who are members of unions, many of which are indeed formally affiliated with the N.D.P., one must conclude that the hon. member extended himself a bit too far in expressing thanks on behalf of the entire labour movement and everyone in it. I say this with the greatest respect to the hon. member, and with respect for his contributions to the fields in which he has worked.

This bill, covering approximately half a million workers in private industry under federal jurisdiction, will undoubtedly serve as an example to the provinces of what similar standards under their jurisdiction should be, and the present situation in Ontario shows how this type of example—or pressure if you like—is needed. Yesterday the hon. member for Ontario (Mr. Starr) suggested that the regulations of the Ontario provincial government were recently modified, so that in some areas the minimum wage is $1 per hour while in other areas it is $1.25 per hour. In fairness to him I mention that he said that if he was not accurate he wished to be corrected. It is my understanding that a rate of $1.25 per hour applies only in Ottawa, Hamilton, Toronto zones, and formerly in some other industrial areas. For other workers, different rates have been set which are to increase at various intervals until $1 an hour will be the rate for both male and female workers by the end of 1965. In addition there are special rates provided for certain industries; the highest of them is $1.25 for construction industry workers.

Surely the province of Ontario has reached a point at which a minimum wage of $1.25 can be set now without any dislocation being caused.

It is unfortunate that the government of Ontario has adopted a regional approach to the minimum wage question but has not as yet adopted a regional approach when it comes to providing tax incentives to encourage industry to establish itself in areas which were or are areas of slow growth. If it is correct that the level of the economy in certain parts of Ontario will not support a minimum wage of $1.25—and this I cannot accept—I would think the province has an obligation to its people to co-operate fully with the federal government in its efforts to help slow growth regions catch up with the rest of the country.

I believe the establishment of this minimum wage will in itself increase purchasing power and thereby provide an outlet, and improve the market for goods and services throughout this country. I should like to refer in this context to an article which appeared recently in the *Financial Times*. Mr.

W. G. Brayley, president of Johnson and Johnson, Ltd., is reported as having welcomed Bill C-126. In fact, he said, with regard to it: "It will help the economy by putting more disposal income in peoples' pockets".

When it comes to the setting of national standards, this is an area in which the federal government really, in my view, needs to do a great deal more than in the past. There is a continuing and growing need for a level of government to which people in this country can turn with respect to their needs and interests as Canadians, not just as citizens of Ontario, or of British Columbia, for example. Having regard to the relative smallness of our population and our open economy, and we must conduct our affairs in a way which will permit us to survive as a country in a world of common markets and free trade areas, and without decreasing and in fact with improvements in our standard of living. This means the existence of a national government capable of maintaining a strong internal market for our goods and services without it being hampered by provincial barriers—a government capable of co-ordinating the economy so as to provide the same basic standards and opportunities for all Canadians.

There are a number of ways in which the federal government can achieve these goals. One is by taking the lead in areas which are clearly within its jurisdiction and setting an example for the rest of the country to follow, as has been done in the case of the present bill. Another is the achievement of desired results through constant co-operation and consultation with the provinces. This is a course we certainly must follow. Nevertheless we cannot put aside the possibility of restructuring government activities even though this might mean the granting of more, rather than less responsibility to the federal government in certain areas of activity, whatever may be the case in others. We shall be obliged to recognize the changes which are taking place in the organization of industry and the counterveiling changes in the organization of the labour movement itself. We must ask ourselves whether matters involving an entire industry operating on a nation-wide basis or even those of a large company with a number of plants spread across the various provinces can be effectively dealt with in the public interest within the restrictions of ten provincial boundaries. The same considerations apply to adjustment to technological change and adjustments to changes in trade patterns. The European countries we have to face in competition for markets have in at least one instance an economy-wide agreement between labour and management. In other instances they have industry-wide agreements, all of this obviously based on a system of government supervision of similar breadth.

There is no question that our economic growth to date justifies the minimum standards imposed by this legislation, standards which, I suggest, with the continued development of our economy, are just a beginning. I am pleased therefore to support this initiative of our federal government to give an example which will help create basic standards and opportunities for all Canadians.

[*Translation*]

Mr. Réal Caouette (Villeneuve): Mr. Speaker, Bill No. C-126 concerns hours of work, minimum wages, annual vacations and holidays with pay in federal works, undertakings and businesses.

Evidently, it concerns the labourers employed by the federal government. The hon. member who has just resumed his seat (Mr. Gray) stated that 500,000 employees or more would be affected directly or indirectly by this legislative measure and that the whole nation, in his opinion, would benefit from it. As Bill No. C-126 will constitute an increase in purchasing power, it will stimulate the economy of our country. Mention has been made of hours of work, and some hon. members have suggested 40-hour, 36-hour and even 32-hour weeks; some have suggested a minimum hourly rate of $1.25, while the hon. member for Winnipeg North Centre (Mr. Knowles) suggested $1.50 per hour.

After all those suggestions, a fact still remains: it was mentioned a while ago by a member of the New Democratic party, I believe, that automation, is bound to play, even in the federal administration, a predominant role, the importance of which will be ever increasing, and this means that some of the 500,000 federal employees will eventually be replaced by machines.

Whether they be I.B.M.s or new inventions, it is none the less true that those employees will be replaced by machines. That is the problem which we will have to face. This exists at present in private industry and does not concern the federal or provincial governments, but strikes break out in that field to protest against automation or the substitution of machines for men.

In my opinion, the time has come for the federal government to face the problem which at present exists in Canada and which becomes more serious every day, that is, man

against the machine. It must be clearly established whether the use of the machine must punish men or whether the machine must serve them.

These two different approaches to the problem are altogether different.

If the machine has been invented to punish men, let us continue to procrastinate as we are now doing. If the machine must serve men, let us consider the problem from that angle.

The government is suggesting a minimum wage of $1.25 per hour. I would say to the Minister of Labour that he should guarantee, not only a minimum wage, but a minimum income to all Canadian workers, to all Canadians without exception, so that they may have enough purchasing power to buy the products made by the machines.

We have two solutions before us: On the one hand, socialism, which would like men to serve the machine; on the other hand, private enterprise or social credit, if you prefer, would like the machine to serve men. There is a world of difference between the two.

The first system, we see in operation some periods of the year, for instance, during the winter works period. The Minister of Labour is perfectly aware of what I mean. In wintertime we pay for winter works and, in my area, the federal government has set 60 per cent of manpower as its contribution and the provincial government pays 40 per cent; municipalities and unorganized parishes do not have to pay for that much.

In wintertime when the weather is extremely cold we put machines away and force men to work in temperatures of 40 or 50 degrees below zero. Why? For employment under the winter works act.

Then, we see machines, steam shovels left idle in warehouses. Mechanical arms are at rest while human arms must work to earn what the government agrees to pay.

Mr. Speaker, we are told that automation must be put at the service of mankind. Is that what we do during the wintertime?

The Minister of Labour would be logical in introducing this bill if he said to us: "We will purchase the products of those machines and let the people of Canada enjoy them."

Why punish men with machines? Why tolerate unemployment because men have been replaced by machines? Why not say that we will make it possible for men to benefit from the work done by machines?

It seems to me that would be more social, more humane and more Christian than to set the machines aside and keep men working in wintertime regardless of time or place.

Mr. Speaker, the establishment of minimum wages will not matter much if men are replaced by machines.

What does the minister suggest to help the men and women who are thus replaced at work?

The government is aware that at present in federal services, certain equipment is not being used so as to prevent the lay-off of employees with 15 or 20 years of service, of experienced civil servants in government employ for 20 or 25 years. Since it is not the intention to replace them by modern equipment, this is another refusal to make man benefit from scientific progress.

The human being is considered to be like a beast of burden instead of a superior being who must be subjected all those inventions and automatic equipment available today.

Whether minimum wages be of $1.25 instead of $1.50 matters little to those who do not earn any wages. It matters little, as was pointed out yesterday by my colleague from Lapointe (Mr. Grégoire), to a man who now works 48 hours a week at $1 per hour, if he works 40 hours at $1.25, since he will earn the same salary. That will not improve his living conditions. So, if I were minister of labour, after the minimum wages I would have added a minimum income for each Canadian. Any person living in Canada is entitled to his share of the national wealth. In my opinion, it is time we passed legislation aimed at respecting the existence of each and every individual person living in Canada.

We also talk of annual leave, of legal holidays in federal works, undertakings or businesses, and here I refer to paragraph (f) in clause 2 of Bill No. C-126, which reads:

"general holiday" means New Year's day, Good Friday, Victoria day, Dominion day, Labour day, Thanksgiving day and Christmas day and includes any day substituted for any such holiday pursuant to section 28.

For what reason did the Minister of Labour not include in that paragraph what we adopted on division, almost unanimously last Friday night, according to the 14th report of the committee on procedure and organization:

2.(4) Notwithstanding the provisions of section 1 of this standing order, and unless otherwise ordered, the house shall not sit on any of the following days: New Year's day, Good Friday, the day fixed for the celebration of the birthday of the

sovereign, St. John the Baptist day, Dominion day, Labour day, Thanksgiving day, Remembrance day, Christmas day.

Remembrance day and St. John the Baptist day were left out in subparagraph (f) of clause 2 of Bill No. C-126.

Why does not the Minister of Labour give the federal employees exactly the same legal holidays as those we voted for the House of Commons? Parliamentary employees will get them. Why should not all federal employees get them, since that proposal was passed by the house last week?

Mr. Speaker, I will not speak any longer on the bill at this stage. We will have another opportunity to do so at the committee stage.

However, I will say this: We hope Social Credit will establish a labour policy which will enable workers to feel, at last, that they are citizens in the economic context of their country. We should respect the human person and realize he is an important individual.

Let us put science, progress, machinery, automation, in short, all new inventions, at the service of each and every Canadian citizen. I believe we would then be rendering service not only to the worker but also to labour unions and to the Canadian people generally, because the purchasing power would be increased considerably. This purchasing power should not be unduly increased without taking the country's economy and production into account, but it should be based on what Canada can produce by means of all this science which is at our service and which should benefit the whole of the Canadian people.

I am convinced that every Canadian would then enjoy economic security and his individual liberty would also be assured and respected.

[*Text*]

Mr. Steven Otto (York East): Mr. Speaker, the minister has received many accolades from all corners of the house regarding this bill. Everyone is welcoming the bill and is happy with it. May I say I also am happy with it, subject to what I will have to say in a little while. But more than anything else I do want to say that the page boys are very happy with the bill, and I hope that when the minister spoke about the young people under 17 and said his department was so anxious to make sure that young people carried on with their education he was thinking of the page boy who brought him his glass of water. Between yourself, Mr. Speaker, and the minister I hope we are finally going to bring in some decent regulations for these boys so that they will not have to work 11½ to 12 hours a day.

Mr. Orlikow: They are not covered by the bill either.

Mr. Otto: Well, I hope they will be. Bill No. C-126 is a nice neat little bill.

I was particularly interested in the minister's description of this measure as being legislation which will break new ground. I hope that he will not create the impression in the minds of the people across this country that this measure represents the reform promised by the Liberal party. I think the minister was much more accurate in his conclusion that this legislation was in accord with accepted practice, because I think in reality that is what it is.

I was pleased to note that the minister said new legislation will be forthcoming which will in fact be complementary to this measure, and truly legislation of reform. I am sure that following the presentation of that complementary legislation we will be in a position to assert that this party is truly a party of reform and that we are facing the issues which beset labour. I have no doubt that this bill does fulfil the promise made by the Prime Minister (Mr. Pearson), but I disagree with the hon. member for Hamilton East (Mr. Munro) when he suggests that this measure will also fulfil the promises made by the Liberal party. There is a far greater promise to be met in respect of the reform promised by this party. That promise as it relates to the Department of Labour has not as yet been fulfilled, and will remain outstanding until that time when the minister introduces what he has referred to as complementary legislation in connection with labour standards.

Mr. Brewin: Mr. Speaker, would the hon. member permit a question? I should be very interested to hear the hon. member outline the details in connection with this complementary legislation and reform in this field which should be carried out.

Mr. Otto: Mr. Speaker, I would suggest to the hon. member that the hon. member for Winnipeg North Centre (Mr. Knowles) indicated the direction in which this reform might move. The hon. member for Greenwood (Mr. Brewin) indicated that automation was creating a problem that keeps many people across this nation awake at nights wondering what is going to happen. I am sure most of us will agree with him in that regard. None of the members in that corner of this house, or

in any other corner, have put forward any solutions to this problem. I am sure that when the minister presents his complementary legislation it will consist of sensible reform measures, and will provide an answer to this great problem.

Mr. Speaker, I hope when the minister presents this complementary legislation he will tackle one other thing I believe should be included in any labour standards. As the hon. member for Essex West (Mr. Gray) has said, there are many things to be done. I should like to see a solution found in respect of labour strikes. Surely it will be recognized that even after 100 years the procedure for bargaining, particularly in respect of strikes, has not changed, much to the detriment of the nation. Uncounted millions have been lost both in production and in wages as a result of labour strikes. Surely the time has arrived when we should adopt or recommend new procedures for bargaining and settling disputes that arise. If we hope to assist in solving the disputes of nations, surely we should be able to find some solution to labour disputes so as to avoid this tremendous loss in production and wages.

When the minister brings forward this complementary legislation I am sure he will show himself to be a young, vigorous reformer, and his party to be truly a party of reform. In the meantime this measure is welcomed by all, and particularly by the page boys for whom I speak.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I think it was Abraham Lincoln who said on one occasion, "God protect me from my friends because I can look after my enemies myself." That thought occurred to me as I listened to the remarks of the members of the Liberal party who extolled the virtues of this bill and of the Minister of Labour (Mr. MacEachen).

The hon. member for York East (Mr. Otto) suggested that this minister might have a solution to the problem created by automation. That problem has confounded the experts of the industrialized countries of the world. That hon. member suggests there is an answer or solution to the problems created by strikes. I suggest that if there is an answer which is acceptable to both labour and management in a democratic society, neither the minister nor any other person interested in this field has found it. The hon. member talks about losses as a result of strikes, but forgets to indicate that we are losing more man hours of production in one week, even today during this period of relatively full employment, than we ever lost in the past several years as a result of all the strikes which have taken place in Canada. I do not think the contribution made by the hon. member for York East has really helped us in this debate.

Mr. Speaker, I was surprised by the defensive attitude taken by the hon. member for Essex West (Mr. Gray) and the hon. member for Hamilton East (Mr. Munro). One would think that in their view it would be better if Mackenzie King had never lived. One would think from their remarks that it was a terrible thing that Mackenzie King assumed the leadership of the Liberal party in 1919 and pledged that party to work toward a national labour code which would include a minimum wage, holidays with pay, statutory holidays and those other things dealt with in the bill now before us.

When hon. members in this part of the house refer to the history of 1919 and the Liberal party program of that day we are not being critical, but is regrettable that it has taken the Liberal party 45 years to fulfil the promise made by a Liberal convention at that time. I should like to point out to the hon. member for Essex West that the Liberal party was in power in this country during 34 of those 45 years, so that legislation of this kind could have been placed before the house during that period. Perhaps I should also remind the hon. member that the Secretary of State for External Affairs (Mr. Martin) has been a member of this house since 1935 and served under that former prime minister and leader of the Liberal party, Mr. Mackenzie King, and that the present Prime Minister (Mr. Pearson) was brought into public office by that same gentleman.

I do not think the hon. member should confuse this house and becloud the record by suggesting that the Minister of Labour is only responsible for the promises made by his party in 1962 and 1963. That hon. minister is a member of the Liberal party and entitled to accept all the credit for the things it has done, belated as they may be, but he must also accept the responsibility for this party's history of procrastination and delay over a period of 45 years.

We in this party greet the introduction of this legislation with enthusiasm and intend to support it, but it seems to us there are some very important and fundamental questions to be answered by the minister, in respect of legislation and administration, if this bill is to be effective. We must ask some

very searching questions. If there is one thing which is certain it is that no legislation has been more difficult for provincial governments to administer and enforce than the minimum wage laws of the various provinces. It seems obvious to me that the federal government is going to have the same kind of problem.

I am sorry that the estimates of the Department of Labour have been passed because I am convinced it will be impossible for the department to enforce this proposed legislation. I am convinced it will be impossible for the present staff of the Department of Labour to check employers who come under the jurisdiction of the federal government sufficiently well so that the people who are guaranteed the standards set forth in this legislation will receive the things to which they are entitled. I say that because I am satisfied from what I know of the Department of Labour that they simply do not have the required number of people on the staff to be able to make individual investigations of companies that come under federal jurisdiction to ensure that the employees who should be getting the rates of pay and other benefits provided in the bill will receive them. I hope the minister will be able to tell members of the house and the general public very soon what steps the department intends to take to make sure the provisions of the legislation will be enforced by the federal Department of Labour.

This is not a criticism of the department. I am sure many members of the house saw the news report that appeared in one of the Ottawa papers quite recently in which it was stated that a check made by the Ontario department of labour a short period of time after their new minimum wage law came into effect had resulted in the department being able to secure adjustments in pay amounting to $20,000 or $30,000 for people who were covered by the new provisions of the Ontario act but were not being paid the new rates. I cite this simply as an illustration of the kind of problem that I think the Department of Labour will have to face in administering the act, and I certainly hope they will make sure that the legislation is lived up to by employers who come under the jurisdiction of the federal Department of Labour.

I should like to join with other members of the house in all groups who have deplored the fact that the Yukon and Northwest Territories are excluded from the provisions of the bill. I should like to remind hon. members that in the Yukon and Northwest Territories a substantial number of the people living there are of Indian ethnic origin. I have figures taken from the 1961 census which show that of the 14,500 people in the Yukon, 2,000 are Indians and of the 23,000 people in the Northwest Territories almost 5,000 are Indians.

The whole record in Canada of the treatment of the Indian people has been such that consistently the Indians have earned less than other people in Canada. I have some figures with me which were prepared by the dominion bureau of statistics on the basis of the 1961 census and I think they illustrate the problem very graphically. For the year ended June 1, 1961 the average annual earnings of all Canadian workers, on wages or salaries, was $3,192 while the average earnings of all Indians who worked were $1,661 or just over half.

Here we have a bill which places a floor of $1.25 an hour on wages for all people who come under federal jurisdiction. It seems to me that if the government is serious in wanting to raise the standards of Canadian citizens particularly of the original people of Canada, the Indians and the Eskimos, it really makes no sense at all to exclude the Yukon and the Northwest Territories from the provisions of this legislation. In a report prepared for the province of Manitoba on Manitoba's economic future it was estimated that the per capita earned income of Indians in northern Manitoba was only $155 a year. I am certain that if the same kind of study were made of the economic position of the Indian and Eskimo population of the Yukon and Northwest Territories we would find that the annual earned income of these people would be no higher than the Indians of northern Manitoba to whom I have referred.

Mr. Nielsen: Much lower.

Mr. Rhéaume: Lower.

Mr. Orlikow: The members from the Yukon and Northwest Territories say it is lower. That makes the case even more depressing and tragic. Before we come to the clause by clause study of the bill I would urge the minister to give serious consideration to agreeing to an amendment or, better still, to bringing in an amendment which will include the Yukon and Northwest Territories. It may be there are reasons for exclusion which seem valid. It may be that the government feels that in the not too distant future these areas will be provinces. They may feel that these are matters which should be dealt with by the territorial councils. There may be other reasons of which I am not aware;

but whatever the reasons or excuses may be I do not believe they are valid.

I do not think the government should exclude from the provisions of the bill now before us a group of people who are under the jurisdiction of the federal government. I think the federal government has a responsibility and duty to cover these people.

Mr. Nielsen: All Canadians.

Mr. Orlikow: And all Canadians but, of course, that raises the question of the divided jurisdiction in the field of labour between the federal and provincial governments. I do not want to discuss now what can be done about this over the long term but I do suggest to the government that they should not shirk their responsibility and duty in respect of the people of the Yukon and the Northwest Territories.

There is one more point which I think we need to have explained. While the bill covers all employees who come under federal jurisdiction, certain clauses give the minister the right to grant exemptions and to set lower rates. In addition the bill provides for lower rates to be permitted under the regulations, which I presume will be drafted after the bill is passed. It seems to me we should have some indication from the minister of the kind of exemptions he might consider granting. I would hope there would be as few exemptions as possible; in fact, I would hope there would be none. But it does seem to me, Mr. Speaker, that there are now a large number of employees covered by federal legislation who will be in a difficult situation in the period of transition.

I am thinking, for example, of certain railway employees. The sleeping, dining and parlour car employees of the railways, under the collective agreement under which they work for the railway companies, are working a basic 208 hours per month for a monthly salary. This agreement was signed after negotiations between their union and the railway companies. Now, Mr. Speaker, the wage of a railway porter, for example, is $334.08 per month for a 208 hour month. This works out at $1.61 per hour, which is substantially more than the minimum wage set by this bill.

However, Mr. Speaker, since this bill only provides for a 40 hour week with overtime pay on time and a half basis for 8 hours more per week, this means that unless the railways are given exemption from this provision for these employees, their monthly working hours would have to be reduced by 34. If their pay were reduced by that number of hours at $1.61 per hour it would mean a reduction in pay of $54 per month. If this measure is applied to these employees, and I think it should apply to all employees, it seems to me it should contain a provision to the effect that there should be no reduction in the take home pay of any workers as a result of the implementation of this bill. In the case which I have used as an illustration, the annual rate of pay for these people works out to just over $4,000. If the hours worked are reduced to the maximum of 48 per week as provided for by the bill, their take home pay would be reduced to $3,350 a year. This is a rather substantial reduction for any person to suffer. However it seems to me that this question ought to be considered by the minister before we complete the clause by clause consideration of the bill.

I join with all members of this house, I think, who have welcomed the introduction of this bill. Those of us who have had experience in labour matters know that no matter how good the provisions of a bill may look on paper, they are not of much use unless the enforcement of them is taken seriously by the government. Unless this measure is policed, and unless the employees concerned are informed publicly of the rights which they have, the measure will not be of much value. It seems to me that before we complete our study of this bill we ought to hear from the minister in some considerable detail as to how his department intends to administer it, how it intends to enforce the provisions of the bill which, in principle, have been greeted favourably by the members of the house.

Mr. Cantelon: Mr. Speaker, I rise on a question of privilege. It is a question of privilege which concerns many thousands of veterans of the two wars who risked their lives for this country and, in particular, it is a question of privilege that relates to the thousands who paid the supreme sacrifice. It is disgraceful that in the holidays provided by clause 2, paragraph (f), Remembrance day is not listed. The veterans must consider earnestly—

Mr. Deputy Speaker: Order; I am wondering if the hon. member does not feel that his point of privilege, since it refers specifically to a clause in the bill, should be brought up when we are considering the individual clauses of the bill. As the hon. member well knows, on second reading we can only consider the principle of the bill and we cannot discuss the separate clauses. I suggest to the hon. member that the point he seeks to make

at this time might be more properly made when we are in committee.

Mr. Cantelon: I know that, sir, but I was hoping that the clause could be changed before we get to it.

Mr. Deputy Speaker: If the minister speaks now, he will close the debate.

Hon. A. J. MacEachen (Minister of Labour): I should like to thank hon. members who have taken part in this debate, Mr. Speaker, and who have been so generous in their acceptance of the principle of a national Canadian labour standards code. I have listened with great interest to the contributions made by all hon. members and I thank them for the way in which they have dealt with the bill on second reading and for the many thoughtful suggestions that have been put forward.

The hon. gentleman who has just taken his seat, the hon. member for Winnipeg North (Mr. Orlikow), has referred to the role of the late Mackenzie King in the development of the labour policy of the Liberal party. No more apt reference could be made, particularly on a bill of this kind, than the reference made to Mr. Mackenzie King because of the impetus he gave to the development of a fair wage policy in Canada. This resulted from his examination of the garment industry in Toronto. It was because he became disturbed by the disgraceful conditions that prevailed there that subsequently, through the co-operation of his friend, Mr. Mulock, there was inserted in later government contracts a fair wage clause. Hon. members can make this point at a later time, perhaps when we are amending the Fair Wages and Hours of Labour Act.

It might be of interest for hon. members to review, as I have attempted to do, the development and application of this fair wage policy to government contracts. In a sense the application, with the exception of the construction industry, has not gone very far beyond the principles that were applied by Mr. King in his early days as deputy minister of labour. I am not, therefore, defensive about Mr. King and his development of labour policy because I think this bill we are considering is, if not a close, at least a clear historical link to the development of the Canadian labour department.

Mr. Knowles: His ghost has been bothering you.

Mr. MacEachen: No, there had been no danger in that respect.

[Mr. Deputy Speaker.]

As I indicated, I should like to deal with a number of points that were made by hon. members during the debate on second reading.

It is the intention of the government to proceed with a bill in the field of occupational safety, or safety in employment. I have learned the lesson connected with indicating deadlines for the hon. member for Winnipeg North Centre (Mr. Knowles), so I intend to resist the temptation of establishing a deadline for the safety in employment legislation, but it is now being drafted and will be proceeded with as soon as possible.

Mr. Knowles: Will that be at this session?

Mr. MacEachen: The application of standards arising from this particular bill will be incorporated, so far as certain categories of federal contracts are concerned, in amendments to the Fair Wages and Hours of Labour Act. While hon. members have drawn attention to the substantial impact this bill will have on the classes of employment directly affected, in my judgment the application of certain of these standards to federal government contracts will also be very considerable in certain parts of the country and that, of course, will become clear if we have an opportunity this session, as I hope we might, to deal with the amendments to the Fair Wages and Hours of Labour Act.

I can understand the concern of the hon. member for Yukon (Mr. Nielsen), the hon. member for Northwest Territories (Mr. Rhéaume) and other hon. members, that labour standards be applied to these two territories. It is not a fact, as has been stated, that this bill is inapplicable to employment in the Yukon and Northwest Territories. This bill will apply to all the federal businesses that are listed operating in the Northwest Territories and the Yukon, such as railways, and all the classes that are listed in clause 3.

Mr. Nielsen: Why are they singled out then?

Mr. MacEachen: This bill will apply to all the federal businesses and undertakings operating in the Northwest Territories and the Yukon. What is excluded are those businesses or activities that are normally under provincial jurisdiction. These are all that are excluded from the operation of this bill.

Mr. Nielsen: Would the minister permit me to suggest to him that perhaps he does not appreciate the fact that the territorial administration of the Yukon is on all fours with provincial administration, so that there would appear to be no reason for excluding the Yukon, and I believe also the Northwest

Territories, any more than there would be to exclude any of the ten provinces?

Mr. MacEachen: Except that if this exception were not made in this way it could have the effect of overriding the Yukon Act and the Northwest Territories Act. For example, I understand the Yukon Act empowers the commissioner in council to make ordinances in relation to property and civil rights in the territory, and in relation to practically all matters of a local and private nature in the territory. The federal parliament, as I understand it, by not including this exception would override the authority of the commissions or territorial councils in the administration of matters that were assigned to these bodies by the parliament of Canada; so that we are, by this exclusion, respecting the authority that has been assigned to these councils.

Mr. Orlikow: Can the minister tell members of the house whether the territorial councils have passed minimum wage laws, similar to the provincial minimum wage laws, which give some protection to those nine tenths of the working people in those territories who will not be covered by this legislation?

Mr. MacEachen: Is the question, have they?

Mr. Orlikow: Yes.

Mr. MacEachen: Yes, there have been labour ordinances passed by the Northwest Territories and by the Yukon, and I might be able to indicate in committee the exact nature of these ordinances. But the point is that we are leaving to the commissions the jurisdiction that is normally exercised by the provinces, and that we are exercising the full jurisdiction in these territories that we are exercising in the provinces.

Mr. Nielsen: Just briefly, as it is approaching six o'clock, and so that members could discuss it this evening before the bill reaches committee stage, I want to suggest to the minister that there is no fundamental difference between the powers vested in the legislative council in the Yukon—the commissioner in council—and those which are vested in the provincial legislatures under section 91 of the British North America Act, and so I can see no real reason for the exception to be made.

Mr. MacEachen: I am not arguing that particular point. As I understand it, if we did not make this particular exception—and I would be delighted to check this further—we could automatically override the authority that has been conferred under the Yukon Act and the Northwest Territories Act. Since 1953 the federal government has made this exception. In 1954 the Female Employees Equal Pay Act made this exception. The Annual Vacations Act, introduced by my hon. friend, the hon. member for Ontario (Mr. Starr) had this exception, and the safety in employment bill, which the hon. member for Ontario moved two years ago, also had this exception. This is recognition of the principle that the territorial councils are gradually assuming more and more responsibility for local matters in the territories, and it seems advisable that they should handle the problems of regulating labour conditions in local businesses.

It has been a consistent policy of both governments to maintain this exclusion. It is also a practical question that I think hon. members would want to consider, whether the standards that have been incorporated in this bill are appropriate standards for local operations in the territories? We, in the preparation of this bill, with this exclusion in mind, have given no real, intensive examination to the situation that would develop in service establishments in the territories, for example restaurants, service stations and small stores, if these standards were applied. It is for that reason we felt it ought to be left to the ordinances, especially since the councils have already been moving in the direction of regulating local labour conditions.

The hon. member for Winnipeg North Centre, and later the hon. member for Red Deer (Mr. Thompson), discussed the question of general holidays, and certainly their feelings was that the seven general holidays with pay might not be a sufficient standard. There are several points of principle I would like to deal with, inasmuch as this was raised as a matter of principle on the second reading of the bill. I am sure hon. members appreciate that this bill is intended to provide minimum standards which we expect to enforce, and we have to be assured that the standards we set are reasonable and will have common or general acceptance. In this bill we are not aiming to set the pace for collective bargaining, nor should we. However, we hope to ensure for unorganized employees, or those whose bargaining position is weak, the fruits of progress which others are enjoying and which have been obtained through collective bargaining.

In the light of this principle, seven holidays seems to be the appropriate standard. Accord-

ing to our estimates, 10 per cent of the employees to whom the code will directly apply are not now getting as many as seven paid holidays, while some of the 10 per cent are not getting any. One factor which has been of persuasive importance to me is this: In the railway industry where there have been strong unions for many years, the non-operating employees, the largest group, have through collective bargaining established seven paid holidays, we are meeting this standard. If we were to adopt the standard of eight holidays, for example, we would be adopting a standard which has been obtained by only 54 per cent of the employees within the scope of the legislation. So we would be legislating for a group of employees amounting to almost half those who come within our jurisdiction, and this in our judgment would be beyond the proper limit for a bill which proposes minimum standards.

Mr. Knowles: Before the minister leaves that point, would he comment, if he sees some way to do so, upon the fact that under the Civil Service Act nine statutory holidays are provided? In other words, this is the number of holidays all civil servants get. Does there not seem to be a considerable gap between nine holidays and the seven specified in this bill?

Mr. MacEachen: There is a gap, of course. What we are doing in this legislation is this: We are obliging private employers to observe certain minimum standards. We expect to enforce this bill and make it obligatory. In so doing we have to take into account the results of collective bargaining and the impact this measure will have generally on the labour force under our jurisdiction. In these circumstances it seems to me that the proposal for seven statutory holidays is reasonable. To go to eight would be to legislate for a large part of the labour force. The hon. member should bear in mind that we are legislating here for minimum standards.

I realize there is some significance in the fact that nine statutory holidays are provided for government employees under the Civil Service Act. However, hon. members may wish to consider whether what the government as an employer decides to do is always an appropriate standard to apply to private employers in the economy.

The question of the actual holidays specified here has been raised by hon. members. The ones included in the bill are I think the accepted holidays, although there is a provision that other holidays may be substituted. For example Dominion day and Victoria day are each established as legal holidays by other statutes; the names are established by other statutes. So we have to observe these days.

The hon. member for Winnipeg North Centre and the hon. member for Winnipeg North dealt with the important question of reconciling the provisions as to hours of work with the take home pay of employees. As I pointed out in my opening statement, the application of the 40-hour week provision in circumstances where excessive hours have been worked would result in a drastic reduction in take home pay. We have wrestled with this problem. That is why in this particular bill we have made provision for a transitional period of 18 months so that in the introduction of standards its effect can be taken into account. The hon. member for Winnipeg North Centre said he would not want the result to be seriously damaging. We have reached the conclusion that, given the time factor, 18 months after January 1, 1965; given the bargaining opportunities which will be available, and given the reluctance of employers—and I think they will be reluctant—to reduce take home pay, the result over that period will not be seriously damaging. Having said this I return to what I said in my opening statement, namely that excessive hours of work can be bad for health. They certainly lead to industrial accidents and to inefficiency and maybe it is better for workers to have additional leisure in certain circumstances and more time for rest. Certainly, having looked at some of the statistics which are available on the class of workers likely to be affected most, I conclude there is no doubt they are working too many hours a week.

Mr. Knowles: Would the minister permit a further question?

An hon. Member: Filibuster.

Mr. Knowles: I admit that I ask it in view of the fact that he has had some experience in setting a deadline. Does he feel it is sufficient merely to set a deadline? What happens if within the 18 months period the necessary adjustments have not been made to ensure that certain employees do not suffer reductions in take home pay?

Mr. Churchill: Agreed.

Mr. MacEachen: The alternative of course is to provide that at the end of the period

the take home pay shall not be dropped, despite the reduction in hours.

Mr. Knowles: I do not see it in the bill.

Mr. MacEachen: No, because it is not there. That is the alternative, and it does involve, first of all, almost insuperable administrative difficulties. In the second place it involves legislative increases in the hourly rates beyond the minimum—

Some hon. Members: Carried.

Mr. MacEachen: —and the introduction of a new principle.

Motion agreed to and bill read the second time.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting leader of the house whether we shall continue with legislation tomorrow or carry on with the estimates as already outlined?

Mr. MacNaught: Tomorrow we will take the second reading and the committee stage and, if the house is agreeable, the third reading stage of Bill No. C-123 to amend certain acts administered in the Department of Insurance.

Mr. McIlraith: That is to go to committee.

Mr. MacNaught: I beg your pardon; after second reading it will go to committee.

Then we shall take up consideration of the balance of the estimates of the Department of Trade and Commerce and the votes referring to Central Mortgage and Housing Corporation under the jurisdiction of the Postmaster General. At the conclusion of these remnants we will consider the estimates of the Department of Veterans Affairs.

Mr. Churchill: May I ask whether concurrence in the eleventh report of the procedure committee will be asked for tomorrow or on Friday?

Mr. MacNaught: I understand that the hon. member who is charged with that report proposes to move its adoption tomorrow.

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

HOUSE OF COMMONS

Thursday, October 15, 1964

The house met at 2.30 p.m.

BUSINESS OF THE HOUSE

CONSIDERATION OF PROPOSED ADDRESS TO HER MAJESTY

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, with the consent of the house may I state that after consultation with the Prime Minister and the leaders of all the other parties it has been agreed that the motion expressing loyalty and gratitude to Her Majesty the Queen will be proposed when we meet tomorrow morning at eleven o'clock.

LIBRARY OF PARLIAMENT

REPORT OF JOINT COMMITTEE ON CERTAIN PAY REVISIONS

Mr. Speaker: I have the honour to lay before the house a report from the committee of both houses on the library of parliament with respect to certain revisions of the rates of pay of employees of the library of parliament.

CANADIAN CONSTITUTION

ANNOUNCEMENT OF AGREEMENT ON METHOD OF AMENDMENT

[*Translation*]

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I have the honour to inform the house of an agreement which will be a landmark in the constitutional evolution of Canada. After years of stalemate, the federal and provincial governments agreed yesterday afternoon, on a definite text conferring on Canadians themselves the unlimited and exclusive power to amend the British North America Act.

As the representative of the federal government in the discussions which preceded the final agreement, I want to pay tribute to my provincial colleagues—attorneys general and other ministers—for their broadmindedness and their patriotism. These statesmen's arduous labour helped the government to define a formula ensuring the dignity of Canada and the freedom of each of its governments.

[*Text*]

The text of the amending formula announced yesterday by the Prime Minister and premiers is the fruit of arduous and statesmanlike labour by all Canadian governments, both federal and provincial. It was imposed on no one, but forged from the free consent of men who recognize themselves as Canadians first. As chairman of the preparatory conference of attorneys general I was proud that my colleagues adopted unanimously the following resolution, moved by Nova Scotia and seconded by Manitoba:

> That the report made by the chairman at the end of the conference this morning, together with the consolidated formula submitted by the federal delegation bearing date October 8, 1964, as amended in accordance with the report of the drafting committee dated October 13, 1964, and adopted this morning, be submitted to the conference of Prime Minister and premiers as the report of this conference of attorneys general.

By accepting our draft with like unanimity the Prime Minister and premiers swept away the anachronism that has for too long clouded our status as a fully independent country. Once again they proved that our federation rests upon a deep and abiding unity.

I am pleased to assure hon. members that the government of Canada intends to place the new amending formula on the order paper at the earliest convenient moment. After the Canadian parliament has adopted the formula in a joint address, and after each province has formally approved it as well, the parliament at Westminster will be asked to enact the formula as part of the constitution of Canada. I am sure that Canadian as well as British parliamentarians will be relieved to consider that this will be the last time such action will be required. As of that moment, Canada's constitution will indeed be wholly and truly Canadian.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, first may I say that Canadians as a whole will be glad to learn that their constitution will hereafter be in the custody and control of Canadians rather than being subject to what was described by the minister as the anachronism that has existed since confederation. We in this party endeavoured to bring about agreement. A

formula was advanced by the then minister of justice, Hon. Davie Fulton, on behalf of the government of that day and it was all but accepted, though there were some reservations on the part of Quebec and greater reservations on the part of Saskatchewan which in those days had a C.C.F. government.

Once before I said there would be entire agreement with the objective which the conference had in mind. I have had the opportunity of looking over the draft, and I am not going to make any extended observations at this time. When the matter comes before the house there will be discussion regarding certain sections, but in no way would I want to leave the implication that we, who advanced the process of agreement and the achievement of a formula so far, are now in any way holding back. At the same time changes have been made. There are changes in section 91 and section 92 which will require careful and considered examination between now and the time the resolution or address is brought before parliament.

The minister did not say so, but I take it that should the address be accepted it will go to the parliament at Westminster in order to bring about the repatriation of the constitution. This is a rhetorical question at the moment, but I ask whether thereafter it will not be necessary that the constitution as a whole, in so far as it is embodied in the British North America Act, be brought before this parliament.

Dealing with one or two sections, and I shall refer to them briefly, the communiqué that was issued yesterday contained the following sentence on page 2:

> To provide for greater flexibility in the constitution, legislative powers may be delegated between the federal and provincial authorities under conditions specified in the formula.

I simply ask the question at this time, what will be the effect of the removal of section 91(1) and section 92(1)? Section 91(1) provides for amendments to the constitution in matters exclusively federal, with exceptions relating to language and the calling of parliament. Section 92(1) provides for amendments to the constitution of the provinces by the provincial legislatures. Thus these sections relate to amending powers of both the federal parliament and the provincial legislatures in matters within their legislative competence, and these have been excised.

Then there is another section that must be very carefully examined. That is the one authorizing Canada to make laws dealing with matters coming under subsections 6, 10, 13 and 16 of section 92, subject to the consent of each individual province. Those particular subsections deal with penitentiaries and local works and undertakings other than those under federal jurisdiction. They also deal with property and civil rights within a province, and generally all matters of a local and private nature within a province.

Under the draft the federal parliament will be permitted to legislate in certain enumerated fields hitherto exclusively under provincial jurisdiction, subject to the restrictions of consent by four provinces and the like; and incidentally the consent given may be subsequently revoked.

Then I am disappointed by the fact that no provision has been made for the incorporation of the bill of rights as an immediate amendment by agreement; because when the hon. gentlemen now sitting opposite were over here they used to press so strongly for a bill of rights which would be part of a constitutional amendment. At that time we could not bring it about because several of the provinces would not agree; but now that the excellent spirit of agreement to which reference has been made by the minister has been achieved, it strikes me as passing strange that a matter of such importance as the inclusion of a bill of rights could not have secured the necessary degree of agreement to have been incorporated among the changes.

Now I come to subsection 3 of the new section 94(A) which says that the legislature of a province may make laws in that province in relation to any matter coming within the legislative jurisdiction of the parliament of Canada. The restrictions set out are consent by parliament to the enactment by the provinces; enactment of a similar statute by the legislatures of at least three other provinces, with consent subject to being revoked at any time by either the federal government or the provinces as the case may be. This is something which will require very careful examination since provision is made for the right of provinces, within the limitations and within the limited scope of the provisos, to legislate in matters which are exclusively within the federal power. In effect, four provinces are empowered to legislate by agreement within the federal field on any matter provided that a parliamentary majority is secured. I ask this question. Is this not exactly what I raised in the house, by way of questions, and which was denied on September 4 as reported at page 7655 of *Hansard*; and on September 3, as will be found

on pages 7605 and 7606? I do not intend to read all these questions at this point—

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The applause from over there indicates that the susceptibilities of hon. gentlemen opposite are being touched by what I am bringing before them. I asked a question then regarding statements made by Hon. Ross Thatcher, premier of the province of Saskatchewan, in which he dealt with these very matters, and the danger involved. I asked whether there was any suggestion that any of the provinces would have the authority to legislate in certain recognized federal fields such as immigration and the like, or would have any veto power over monetary or tariff policy. The Prime Minister replied "The answer to the last part of the question is no."

Well, I can understand the provinces agreeing to this. But, I ask, what is the effect likely to be on the federal authority? It opens up to provincial legislation, on the request of four provinces and with the approval of a federal parliamentary majority, such fields as immigration, monetary policy, tariffs, trade policy and matters affecting the native population of Canada, among others. Naturally the provinces would agree to such a proposal, but has there been that careful examination by the federal government, before consent was given, to the effects of abdicating, as it were, authority over these fields in order to achieve agreement? As I say, I do not intend to go further today than to question this particular formula regarding matters exclusively within the federal authority; for if my reading be correct there will be many who will ask whether the price being paid by the federal authority is not a very high one, for the acceptance of the repatriation of the constitution to Canada.

At the moment I go no further than to place before the house the implications inherent in giving to four provinces, provided there is a parliamentary majority in the Senate and the House of Commons, the right to legislate on matters which are exclusively within the federal authority, which one can believe is a course fraught with danger to the unity of our country in the years ahead.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I regret that we in this party are not able to join in the mood of self congratulation which has surrounded the announcement of the agreement between the provincial premiers and the Prime Minister on a formula for repatriation or amendment within Canada of the Canadian constitution. In our opinion this occasion should not be one of national rejoicing but rather one of national mourning.

It would be much pleasanter if we could join in the congratulatory chorus; but even if the role of the prophetess Cassandra of ancient Homeric myth is not a popular one, we feel obliged to state the truth to this house as we see it. And the truth as we see it is that the agreed formula and the draft act which accompanies it will be a monumental error. If I may borrow the expression used by Professor Bora Laskin, an acknowledged constitutional expert, the adoption of this formula would be an unmitigated constitutional disaster.

No one denies the desirability of working out a formula for constitutional amendment which would enable the constitution of Canada to be amended within Canada. We in this party have frequently urged that this course be followed. But it would be immature for Canadians to allow this legitimate national aspiration to obscure the fact that what we are going to be asked to do is to exchange the easy yoke of a relic of colonialism for the self imposed bondage of a constitutional straitjacket.

The Fulon-Favreau formula, as it must now be known, is a formula for constitutional futility and absolute rigidity. The form of the communiqué issued and of the draft act itself which was attached to this communiqué obscure this reality; because the announcement states that as a general rule amendments may be made to the constitution by the parliament of Canada, acting with the concurrence of the legislatures of at least two thirds of the provinces representing at least 50 per cent of the population.

If this statement were true it would of course represent a reasonable degree of flexibility. Unfortunately it is not true. The exceptions, so called, to this general rule are infinitely more important than the general rule itself; in fact it is very hard to imagine anything that would fall within the general rule. The exceptions specifically mentioned in this act include any change in the constitution affecting any provision of the constitution of Canada relating to the powers of the legislature of a province to make laws, and state that such amendments cannot be made unless concurred in by the legislatures of all the provinces. This exception, so-called, covers the distribution of powers between the provincial legislatures

and the federal parliament set out in sections 91 and 92 of the British North America Act.

This, as any person with any knowledge in this field knows, represents the very core of our constitutional system, and the formula in effect hands an absolute veto to every individual province in respect of amendments to that constitutional core. Even the United Nations, which has been plagued by the veto, gives that power of veto only to the great powers. We propose by this formula to hand it to every individual province no matter how small.

It is not only the substance of the proposed amending formula but the way it has been arrived at which calls for the strongest comment. This formula has been presented to the Canadian people as the result of a closed conference between the Minister of Justice and the attorneys general. We say that this hole in the corner procedure is totally unsatisfactory. For one thing, this parliament is being practically bypassed. It is true that we were allowed one day to debate this matter, but on that one day the Minister of Justice carefully refrained from stating what the attitude of the government was, or from seeking to justify the restrictive formula which is apparently proposed by the government.

In that debate the hon. member for Royal, speaking for the official opposition, and I, speaking for my own party, both suggested the importance, which has been mentioned today by the right hon. Leader of the Opposition, of linking an amending formula with the entrenchment of basic individual rights, creating a constitutional bill of rights. Our suggestions made in this parliament appear to be totally ignored in favour of this closed conference.

It seems to me that the government of Canada is not being carried on by the elected representatives of the people in parliament, but rather by the presentation to parliament of *faits accomplis*, arrived at in closed conferences. One must wonder who are the advisers who advised the government in this disastrous course. Do they include any known experts in the constitutional field in Canada or elsewhere? We are not told that. Have they or have they not warned the government of the danger of the inflexibility of the method of amendment which is now suggested?

According to a press statement the prime minister of Quebec, referring to the dangers of rigidity, used the expression that the formula "freezes" the constitutional rights of the provinces. Looking at the matter from the point of view perhaps now prevalent in the province of Quebec, a point of view which is concerned almost exclusively with expanding and protecting provincial rights, there may be something to be said for welcoming this freezing of the constitution. No one, least of all the party which I represent and for which I speak here, denies the importance of freezing, or entrenching as it is sometimes called, the basic rights of language, religion and education. But to freeze the general distribution of powers as they affect the whole broad field of social progress and labour legislation, marketing legislation and other economic matters, may well be disastrous to Canada's future.

Mr. Speaker, I want to say here that we in this party will fight this formula as vigourously as we can. We urge that before it is too late Canadians as a whole give careful and detailed study to what is involved in this proposed formula, and we urge Canadians to let the government know before it is too late that they are not in favour, under the guise of protecting Canadian national pride, of the fixing of constitutional fetters on Canada's future greatness as a nation.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I do not make my remarks at this time as a constitutional authority or from a background of legal training, but as a Canadian. I believe they will express the general feeling of many Canadians on the outside who are concerned and interested in this country moving forward as a nation.

I am reminded of events that took place 100 years ago which led up to the confederation of this country, when the provinces of that time met together and drafted the British North America Act which has been our constitution since 1867. Again at the present time the provinces, now twice as many in number, have come together and worked out an agreement with the federal government which will make it possible to bring the British North America Act to Canada as our constitution.

I have a great deal of respect for our provincial governments, and I believe the record of practically every province is outstanding. The attorneys general of these provinces have spent long hours in discussion of the agreement which has now been arrived at. As well, the premiers of the ten provinces have likewise given much thought and consideration to this agreement, and we owe a great debt of gratitude and appreciation for what they have done.

In saying this I stress my confidence in the governments of the provinces as they have now laid down the necessary pattern of things so that we can truly have a Canadian con-

stitution. I also believe congratulations are in order for the Minister of Justice. I believe that a good share of the credit should go to him for bringing about this meeting of minds. There should be an expression of appreciation extended as well to the deputy minister and other officials of the department, who are capable men and who have spent long hours working this out.

We as the nation's House of Commons should be a little more considerate of the men who are the attorneys general of these provinces and who have been able to come together with a tremendous amount of determination to work out an acceptable formula and agreement. I believe this is the attitude that most Canadians from coast to coast have today toward these men. There is no doubt their decision may not be the ideal, but I do believe that what has happened is all that could possibly have been hoped for at this time, and that the agreement has been reached in unanimity.

As I quickly looked over the communiqué and the announcement I found that three elements have been involved. One is the repatriation of the constitution, or the bringing to Canada of the British North America Act so that it can be our constitution. Second, there has been a spelling out of the amending formula. Since 1950 when this was first brought out in formal discussions this has been one of the stumbling blocks which has prevented agreement from being reached. Third, there has been provision for the delegation of power from federal to provincial governments and from the provinces to the federal government.

For the stability of a constitution it is imperative that there be some rigidity to the amending formula. The agreement reached regarding the delegation of powers provides for this, so that local needs can be met as far as the provinces are concerned without requiring or making constitutional change. I believe the agreement that has brought the formula to a basis where there must be four provinces in accord is one that gives us the assurance that there will be stability in this arrangement. I agree that we must study it very carefully, but on the other hand I believe that credit must be given where credit is due.

I am convinced that the past few days will go down as a landmark in the history of this nation, and I would hope will mark the beginning of a new era of unity and progress in which we will move forward. Many amendments may have to be made to the constitution other than those which have been agreed upon now, but with the bringing back to Canada of our constitution they can be done within the realm of our own autonomy and our own authority. Therefore I believe these days perhaps mark the beginning of a new era as we move forward in our ship of state, with consideration being given to the provincial governments and everything else that goes to make up confederation. Even though the ship may travel through stormy seas I believe we will be moving forward in the best interests of the nation and the progressive development of our Canada.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, unfortunately I have not yet had time to analyse and study the release issued after the meeting between the provincial attorneys general and the Minister of Justice. I was unaware also that the Minister of Justice was to make a statement today in this regard.

However, there is at least one remarkable thing about this. From now on Canada will at least be able to amend its own constitution and, most important, we hope that the constitution will be amended in quite a radical way so that our country will adapt itself to the modern world.

Her Majesty Queen Elizabeth II stated in Quebec city that what could be normal 100 years ago should perhaps be amended or changed today.

There is no doubt for us that the constitution should be amended. Some radical changes must be made to meet the requirements of our modern times, the progress and development of Canada as well as the atmosphere prevailing in 1964 in our country.

I note that in the case of problems concerning a single province, any desirable amendment will be made after agreement between the federal government and the government of that province. We hope that in the case of the province of Quebec amendments will be made, while the other nine provinces will be left free to establish other relations with the federal government if they want to.

In my opinion, if the Canadian constitution allowed relations between Ottawa and Quebec to be different from those between Ottawa and the nine other provinces, such latitude or broadness of mind would lead to what everyone has been seeking for a long time, but has been unable to achieve, namely national understanding.

But if everything is to be put in the same mould, then understanding is no longer possible. Still, we note, on reading the press release, that amendments could be made with regard to this or that province only on agreement between the province concerned and the federal government. That could be done by means of amendments to the constitution or delegation of powers.

As a matter of fact, this is, in a way, what I like about the new formula. Thereby, each province will be given enough leeway to legislate as it sees fit in certain fields, perhaps to exercise more authority than that granted to it by the present constitution. The formula will also allow those provinces which so desire to exercise less authority and to fall back on centralization to a greater extent in keeping with their ideology of centralization in the federal government. That might produce two different ways of life in Canada, but not necessarily. At any rate, having two kinds of administration would achieve the goal being pursued, national understanding.

It is now possible to amend our constitution. I wonder, however, about one thing. I have read only a few press reports mentioning that in order to amend the constitution in certain fields, the approval of five provinces or 50 per cent of the population will be required. But let us suppose that the ten provinces propose an amendment to the constitution which is refused by the federal government. The ten provinces represent undoubtedly 100 per cent of the population, but the federal government can also claim to represent 100 per cent of the population. Would the federal government automatically have the right to veto?

Is the formula clear and specific enough to indicate, in the event of agreement among the ten provinces and disagreement on the part of the federal government, who would prevail over whom? Is it the ten provinces or the federal government, in view of the fact that both represent 100 per cent of the population and are not of the same opinion on one point?

In my opinion, the amending formula should be well defined in this respect, because it seems to me that when ten provinces agree to amend a point of the constitution, their authority should carry the same weight as that of the federal government.

At any rate, without knowing all the details of the agreement entered into by the attorneys general and the Minister of Justice, I believe that we can be happy that, in future, when we want to amend the constitution, the members elected by the population will turn their attention to it and not a parliament 2,000 miles away which does not understand all our problems and does not represent the Canadian people.

The very fact that we are able to amend our constitution ourselves makes us that much more responsible before parliament and the people than we were before.

I should like to suggest an amendment to the effect that the title "British North America Act" become simply "The Canadian Constitution", so that, at long last, it can become a Canadian fact.

[*Text*]

[*Later:*]

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I have a question with reference to the announcement made this afternoon by the Minister of Justice regarding the repatriation of the constitution. The minister stated that an address would be placed before both houses of parliament for transmission to the parliament at Westminster. Is it the intention of the government thereafter to have the British North America Act brought before the parliament of Canada to be passed as a statute, or what is the general plan the government has in mind in this regard?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, of course parliament must first approve the address to the United Kingdom parliament. As far as I am concerned, I am authorized to state what immediate steps will be taken by the government in so far as placing the resolution to that effect before both houses of parliament. As to further matters or further dealings in respect of the constitution, this will be a matter of government policy, as the right hon. gentleman will understand, and will be announced once it has been decided by the government.

Mr. Diefenbaker: Mr. Speaker, as a matter of fact that is not government policy at all. Does the minister then say there has been no decision made yet as to the course the government will take following an address passed by the parliament of Canada, transmitted to Westminster and there accepted? Has the government made no decision as to the further course to be taken in this regard?

Mr. Favreau: Mr. Speaker, of course this is one of the matters to which consideration is

being given, but a final decision has not yet been taken.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask a supplementary question. In view of the fact that this question was raised by some of us before the recent conferences were held, may I ask the minister whether this aspect of the matter was discussed at any of those recent conferences between the federal government and the provincial governments?

Mr. Favreau: No, Mr. Speaker. One of the reasons the government has under consideration the question which has just been raised is precisely because it has been raised in this parliament, particularly by the hon. member for Winnipeg North Centre. There was no formal discussion in this respect at the conferences.

Mr. T. C. Douglas (Burnaby-Coquitlam): I have a supplementary question for the Minister of Justice, Mr. Speaker. Would he consider sending this matter to a parliamentary committee in order that hon. members might have an opportunity of hearing expert opinion on this very important matter of the constitutional amending formula which is being proposed?

Mr. Favreau: Mr. Speaker, I will accept that question as notice, and as a suggestion which I will make it a duty to consider with my colleagues.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Justice a supplementary question. He has said they have had no discussion and have arrived at no decision as to how we are going to proceed to adopt a constitution for Canada. I should like to ask him whether there is any way of adopting a constitution for Canada, other than by bringing it to this parliament and having it accepted by this and the other house?

Mr. Favreau: Mr. Speaker, of course Canada already has a constitution. Whether subsequent to full repatriation, primarily of the right to amend the constitution, there will be placed before this parliament a bill to give formal sanction to the B.N.A. Act as the Canadian constitution, is a very interesting and important matter to consider. That was not part of the agenda of the federal-provincial conferences, because the exclusive matter for discussion on that agenda was the devising of and arriving at a formula which in future, once it has been enacted as the last law in this connection by the United Kingdom parliament, will allow this parliament in future to amend the Canadian constitution. That is the reason the subject to which the hon. member has referred was not on the agenda of the conference of attorneys general.

Mr. Olson: I have another supplementary question, Mr. Speaker. Will the minister then explain where this constitution is going to be domiciled if it is not brought to this parliament after the United Kingdom parliament has passed an act releasing it?

Mr. Favreau: Mr. Speaker, we are getting into a discussion on constitutional law. The principal factor in domiciling a constitution is the ability of the parliament of Canada to dispose of or amend in any way its own constitution. The title of the draft act suggested both by the previous government and by this government is "An act to amend in Canada the constitution of Canada."

DOMINION-PROVINCIAL CONFERENCE

ANNOUNCEMENT OF ESTABLISHMENT OF TAX STRUCTURE COMMITTEE

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, it is my privilege to announce another major achievement of the federal-provincial conference that concluded this morning. Unanimous approval was given to the establishment of a tax structure committee and to the terms of reference under which it will function. Agreement was also reached on the nature of the studies the committee will undertake and on the manner in which it will conduct its work.

The purpose of the tax structure committee, as its terms of reference reveal, is to conduct a complete and fundamental re-examination of federal-provincial fiscal arrangements. This is an undertaking of major significance in the history of federal-provincial relations. Not since the Rowell-Sirois commission has such a thoroughgoing analysis been undertaken. It is our hope and expectation, and in this we are joined by the provincial governments, that the committee will find better ways of effecting a balance between the requirements and the resources of Canada's 11 governments. It will also be the committee's task to ensure that the fiscal partnership which results can be used effectively in the achievement of Canada's economic goals, namely the full employment of our people and the full use of their rich resources.

Hon. members will welcome, I am sure, this major step in federal-provincial fiscal relations. For the first time the federal gov-

ernment and the provinces will together study the fiscal problems of the 11 governments, will together assemble the facts necessary to illuminate these problems, and will together develop fiscal arrangements which meet the needs of Canada. This approach to federal-provincial arrangements met with the unanimous and wholehearted support of all governments.

After this portion of the work of the conference was over, the Prime Minister reported briefly what was agreed in the following terms:

I. The committee is directed by the federal-provincial conference to study and to report upon the following matters, its report to be submitted to the conference early in 1966:

1. Trends to be expected during 1967-72 in public expenditures by the federal government, the provinces and the municipalities, taking into account the broad priorities likely to be accorded by governments to expenditures on major programs that will compete for available funds;

2. The problems involved in financing these expenditures and their relationship to the economic circumstances to be expected, the probable levels of costs of public services and facilities, and the prospective levels of government debt;

3. The general policy to be followed in respect of shared cost programs during the period 1967-72;

4. The tax fields that should be used exclusively by the federal government and by the provinces and municipalities, and the fields in which joint occupancy is desirable;

5. The arrangements to be made in respect of jointly occupied tax fields;

6. The relation of equalization grants to the fiscal requirements and fiscal capacities of the provinces, and the best equalization arrangements for the period 1967-72;

7. Future intergovernmental liaison on fiscal and economic matters;

8. Other related matters.

II. The committee agreed upon the nature of the studies that should be undertaken to facilitate its work. These will be put in hand as quickly as possible.

III. The committee agreed that the continuing committee of officials on fiscal and economic matters, originally established by the federal-provincial conference of 1956, should be assigned responsibility for general direction of the studies to be undertaken and the working out of the assumptions and methods to be used in those studies requiring a common basis of approach. Mr. A.W. Johnson was selected to co-ordinate and expedite this work, as well as to be secretary of the tax structure committee itself.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, the minister has just made an interesting statement with regard to this tax structure committee which is going to be responsible for a long range study of some of our pressing taxation problems. I believe we are going to have quite a few studies in the next little while, but I am not sure whether we will have enough students to absorb them. We have the reference the minister has just made to this tax structure committee. We have the Minister of Justice referring to the report of the constitutional conference and the fact that there may be substantial changes in the constitutional relationship between the provinces and the federal government. Then, of course, almost in the background we have the Carter commission which was set up some two or three years ago, and which I hope will be reporting within the next few months. Certainly there will be a high degree of elasticity in our tax structure in the immediate future, and a great deal of midnight oil will be burned before all the problems are finally settled.

[Mr. Gordon.]

I think it is a very good thing that we have this approach made today. Certainly the impact on fiscal arrangements of the ten provinces and the dominion occupying parallel fields and in some cases occupying the same fields, with power to borrow and power to tax, could create almost a financial jungle in this country. It is necessary to have studies made. It is necessary to evaluate. I trust the evaluation of conflicting claims which are being made upon provincial governments and the dominion will be evaluated.

There is no point in discussing this matter further at the moment. This is a long term matter, the results of which will not be before us for many months—I think the minister said about 1967—and by that time we will have had ample opportunity to study all the implications contained therein.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I am sure no one could object to the purposes of the committee's work. One might perhaps regret that it was not established earlier. Its establishment now does raise some questions in one's mind as to the future of some of the shared cost programs. It makes one wonder what is going to happen to the much touted Canada pension plan, what is going to happen in the interval to the possibility of advancing a program of medical care, and what is indeed going to happen—whatever life may be left in it—to the Canada Development Corporation.

I wonder if we are to take it from this announcement today that the establishment of this committee at this time postpones until at least 1967 any advance along these lines. It seems difficult to understand how any advance could be made while the government is waiting for the results of this study. It would be interesting to hear from the minister as to whether the Canada pension plan, any steps that may have been taken toward

the development of medical care plan, or any other shared cost program will be now held in abeyance until this committee makes its report.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I listened with some interest to the statement by the Minister of Finance, and read press reports this morning containing much of the press release that was given yesterday by the Prime Minister. To say the least, I am not impressed with the progress that has been made. It seems to me if you carefully analysed the press release and the statement made by the Minister of Finance, about all you could find would be some general agreement on the terms of reference to this tax structure committee. After you have said that, you have said it all. We have noted that over the past few months the Minister of Finance and every other minister of the crown has ducked answers to inquiries relating to the fiscal relationship between the federal government and the provinces by saying that all these matters will be referred to the tax structure committee, which will come forward with a comprehensive plan to reallocate the distribution of taxation between the two levels of government.

There was one bright spot in the press report that came out, and that was that the federal government had agreed to take into consideration the matter of priorities. This is something that several of the provinces, led I think by Manitoba, have been advocating for some time. It seems to me that when we have a government capable of turning out one piece of legislation after another requiring enormous expenditures on a piecemeal basis, it certainly leaves the budgets of some provinces and the federal government confused.

I hope this committee does not break down into a series of studies taking into consideration all the so-called pressure plays, the temporary expedients, but will in fact address itself to finding an acceptable formula for the rearranging of tax distribution under the agreements, and that those arrangements will be based on the jurisdictional responsibility of the two levels of government. We hope that when a formula has been reached the federal government will be disposed to confine its legislation to the areas where it has constitutional authority. We note that there have been many pieces of legislation passed by the federal government that do in fact require expenditures by the provinces, and many of those have been passed without the consent of the provinces. In fact, Mr. Speaker, sometimes these pieces of legislation involving increased expenditures have been passed after the budgets of the provinces were passed, thus upsetting their whole budget arrangements.

We also know that the announcement does not preclude changes being made between now and 1967. We hope this is not an indication that the federal government intends to yield to a lot more of these pressure plays to such an extent that it will determine in advance how much additional money it is prepared to give each province, and then construct a formula to meet the predetermined figures. We have seen this happen too many times during recent months and years, and it causes frustration to a number of the provinces.

We cannot go into the details now. The Minister of Finance is well aware of some of the objections we raised during the past few months to some of the charges that have been arbitrarily laid on the provinces. We are not particularly impressed with the statement he has just made, because it does not seem to indicate any set direction in which we are proceeding.

[*Translation*]

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, the Minister of Finance has just announced the creation of a committee composed of representatives of the federal government and of the provincial governments to study the tax structure of the taxation system in Canada.

In my opinion, it would be preferable to create a committee for the purpose of studying the means of decreasing taxes in Canada. Our taxation system is defective because taxes are too high. Discuss this matter with any Canadian citizen, any company director, any businessman, any ratepayer, and they will recommend that the first step to be taken is to lower the taxes, because they are too high.

I hope that the Minister of Finance will tell us before long that such a committee has been set up, that it will examine this matter and recommend means to decrease taxes and help Canadian citizens to retain more money in their pockets.

At this time—and the committee will find that out if the Minister of Finance does not know it yet—for every dollar earned by the Canadian citizen the various levels of government, federal, provincial, municipal and school boards levy 47 cents as taxes. Out of all earnings, 47 per cent goes to governments as taxes. Indeed, the amount of figuring on the

Canadian citizens' cheque stub is larger than on the cheque itslef and, before long the Canadian worker would rather get the amount appearing on his cheque stub than what is left on the cheque itself.

The minister also announced that the committee will try to ascertain priority requirements where they are, and that an attempt will be made to leave the main tax fields to meet priority requirements.

It will be recalled that during the hostilities the federal government said that war was the priority requirement and it invaded almost all tax fields. While the priority requirements have changed, the government has not yet withdrawn. Today those requirements are felt in the fields of education, health, roads and public works. All those fields come under provincial jurisdiction, but the federal government has not yet given back those tax fields in order to enable the provinces to face their priority needs.

The minister also told us that the committee will study the problem of the financing of public expenditures. Why must public expenditures be financed exclusively on the people's taxes?

Could the Minister of Finance not recommend to the committee to find other means to finance public expenditures or public works instead of digging constantly into the pockets of the Canadian people?

When England feared a devaluation of its pound sterling another method was found to prevent it and even to revaluate the pound sterling. What was the action taken? They called on the Bank of Canada which, at that time, was authorized to lend money to England at an unknown interest rate, in order to prevent a devaluation of the pound sterling. England was not forced to levy new taxes. Why not do the same in Canada when it would mean greater wealth for the country.

If we want to make our country richer through public works, health insurance plans, old age pensions or family allowances, let us seek other means apart from taxes to finance public expenditures.

England found one. It comes and dips into the funds of the Bank of Canada, or, at least, the Bank of Canada is authorized to lend it money, almost interest free, to enable it to restore itself. Why not do the same for Canadian citizens?

This is a recommendation that the committee, the setting up of which is proposed today, should take into serious consideration. This committee should not be limited to considering taxes alone, because we know that they

are too high; it should be commissioned to find ways of financing public expenditures without raising taxes, and by using the Bank of Canada instead.

The Minister of Finance also announced that this committee would study the tendencies of public debt levels in the federal, provincial or other fields.

If this committee studies the tendencies of debt levels, it could also be requested to study the harmful aspect of public debts. This harmful aspect is easily recognized when one sees that the biggest problem for the finance minister in Canada at the present time, is the interest he pays on the debt of Canada, which amounted to $1 billion 81 million in 1964. If he did not have to pay this interest on the debt the problem he is now facing would not exist.

The same thing can be said for provincial and municipal governments.

The minister also states that the purpose of the committee will be to study joint programs.

Mr. Speaker, may I also express my viewpoint on joint programs. Those programs practically set up two different authorities to manage the same thing. Consequently, too many people are in charge of directing a plan. And when there are too many people to cook the soup, the soup is spoiled.

Those joint programs have been popular for some time in Canada, with two different authorities which endeavour to direct the same thing, and give contradictory orders. In the long run it is found that the joint program does not serve its purpose.

I want to make a suggestion to the committee: let us eliminate those joint programs and give the authority to manage a program of that type to only one level of government.

Mr. Speaker, this committee is now too restricted in its activities. It does not receive enough instructions; it is not sufficiently requested to think about a program other than the taxation system and to try and make the Canadian economy operate. It is too restricted to the taxation field and to the effects of taxes in some fields, while it should instead be asked to make a general review of the Canadian economy.

The Minister of Finance states with a big smile that everything is fine in the economy of this country. A labour organization in Ontario mentioned recently that there were four million poverty-stricken people in Canada. Well, the Canadian economy is not as good as that. The Minister of Finance should set up a committee which, besides analysing our taxation system, would attend

to decreasing taxes and give Canadian citizens a more prosperous economy.

[*Text*]

[*Later:*]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Finance regarding the tax structure committee which he announced on motions. I would ask the minister two very brief questions. First, can he give us some idea of the make-up of the committee at the ministerial level and the technical level; and second, can he assure the house that the economic goals which he outlined in the terms of reference are economic goals which the federal government intends to pursue, and will see to it that it does not allow itself to be deprived of the necessary powers to maintain the counter-cyclical techniques which are necessary to attain those goals?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, there will be three members from the provincial government on this committee and one member—and if requested, one alternate—from each of the provincial governments. The federal representatives will be—

Mr. Douglas: Mr. Speaker, the minister said there will be three members from the provincial government. Did he not mean from the federal government?

Mr. Gordon: Yes, three from the federal government. The three federal ministers will be the Minister of Justice (Mr. Favreau), the Minister of National Revenue (Mr. Benson) and myself, as chairman. The premiers of Ontario, Quebec, Saskatchewan, Manitoba and British Columbia plan to serve on the committee. With regard to the other provinces, I think the decision so far is that they will be represented by their ministers of finance or provincial treasurers.

With regard to the second part of my hon. friend's question, I would like to assure him and all hon. members that the federal government, under this administration, intends to remain strong, independent and competent to take whatever actions to influence the economy as may be called for from time to time.

Some hon. Members: Hear, hear.

FINANCE

TARIFF CONCESSIONS TO PERMIT MANUFACTURE OF FOREIGN AUTOMOBILES IN QUEBEC

Hon. Walter L. Gordon (Minister of Finance): On behalf of my colleague the Minister of Industry I wish to announce to the house certain temporary tariff arrangements which have been extended by order in council to the General Investment Corporation of Quebec in order to permit that company to begin the production of Renault and Peugeot automobiles in Canada.

The General Investment Corporation of Quebec is a private company, wholly owned by Canadians, which was created by the government of Quebec last year to stimulate and promote the formation and development of industrial undertakings in that province. It has entered into agreements with the French companies, Régie Nationale des Usines Renault and Société Anonyme des Automobiles Peugeot for the manufacture of their automobiles in Canada. Under the agreements the General Investment Corporation will build and equip a factory of its own to assemble and finish these vehicles.

This undertaking is unique in that a Canadian owned company will make automobiles under licence for a foreign motor vehicle producer. From the outset components will be purchased from Canadian parts makers; other parts will be imported from French companies. There will be a progressive reduction in the proportion of imported parts used as Canadian sources are developed. The finished automobiles will be sold to the Canadian subsidiaries of the French companies for distribution in Canada and for export.

Initial plans provide for annual production of 8,000 automobiles requiring a work force of 250 people.

The output of the company, when added to that of Volvo in Dartmouth, Nova Scotia, will give Canada a substantial production of European type automobiles. There has been a continuing demand for this type of vehicle by Canadian consumers, who will now be able to choose between several Canadian made products.

These transitional arrangements in respect to customs duties are comparable to those provided Volvo of Canada Ltd., taking into account the relative values added in Canada in the production of these vehicles. As in the case of Volvo, the special arrangements are for five years and there is a progressive reduction in the tariff concessions over this period.

I should like to table, at this time, the order in council giving effect to the temporary tariff arrangement extended to the General Investment Corporation of Quebec.

Hon. George C. Nowlan (Digby-Annapolis-Kings): I am sure the house is interested in the announcement which has just been made by the Minister of Finance. It is good to know that other European car manufacturers, through an agency established here, are developing their cars in this country.

As the minister has suggested, Volvo blazed a trail in this regard some two or three years ago. I think a very happy procedure was adopted at that time, and I am glad it is being followed now. We will see the order in council in due course and note what concessions or arrangements have been made. There were some which we made in connection with Volvo, and I understand approximately the same is being done now in connection with these companies. As I say, we shall study the order in council.

Mr. Reid Scott (Danforth): In keeping with the other short statements on motions, all I should like to say is "Hear, hear".

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, we must be grateful to the French industrial interests for being interested in our country to such a point that they agreed to build here automobile production plants and to give the General Investment Corporation a licence to carry out that project.

It must also be noted that concessions made by the federal government in terms of taxation surely facilitated the decision reached by the Renault and Peugeot firms.

We hope that the establishment of a foreign industry will result in a proper competition among Canadians. There should be no fear of unfair competition, because the impact of that new establishment will particularly be a large reduction of unemployment in Canada.

In view of the fact that the Quebec metropolitan bureau for commerce and industry was the first to promote such a project, it is to be hoped that the chosen site will be near Quebec, at Lévis, as recently suggested by Mr. Armand Viau, the general director of the bureau.

In short, Mr. Speaker, the announcement just made by the minister is welcome and even though we must deplore the fact that Canadians do not seem prepared to invest enough capital to be the sole owners of automobile plants, we must commend the General Investment Corporation which took the initiative of making necessary arrangements with the French companies to have one more industry established in Canada in the best interest of Canadians.

Mr. Lucien Plourde (Quebec West): Mr. Speaker, we, in this corner of the house, are pleased to hear that Peugeot and Renault automobile plants will locate in the province of Quebec.

The establishment of those new industries in the province of Quebec will reduce unemployment, especially in the Quebec area, as the hon. member for Quebec-Montmorency (Mr. Marcoux) mentioned a moment ago.

Those industries should definitely come to the Quebec area because my own riding, a labour riding, is greatly affected by unemployment. And this would greatly alleviate unemployment there.

Mr. Gilles Grégoire (Lapointe): Mr. Speaker, I should like to direct a question to the Minister of Finance who a moment ago made a statement on behalf of the Minister of Industry (Mr. Drury).

Is he in a position to tell the house today where exactly the Renault-Peugeot plants, referred to in this statement, will be located?

[*Text*]

Mr. Gordon: Mr. Speaker, it will be in the Montreal area; I think in Terrebonne but I am not sure of this. The Minister of Industry is having a press conference now in Montreal on this subject, and I have no further details to announce.

[*Translation*]

Mr. Grégoire: Could the Minister of Finance and the Minister of Industry exert pressure for the plants to locate in designated areas affected by unemployment and for granting them, besides special tariffs, special favours to locate in designated areas?

[*Text*]

Mr. Gordon: I can assure my hon. friend that this was urged by the Minister of Industry and was discussed over quite a considerable period of time, and discussed very seriously. In the end it became quite clear that if we wanted this plant in Canada, if we wanted to attract this industry to Canada, it would be necessary for us to allow the promoters of the enterprise to build the plant

in the area which they thought was of the greatest economic advantage to the enterprise.

[*Later:*]

[*Translation*]

Mr. Clément Vincent (Nicolet-Yamaska): Mr. Speaker, may I direct a question to the Minister of Finance?

Could the minister tell us if the establishment of the Peugeot and Renault plants in the Terrebonne region, which follows that of General Motors in Sainte Thérèse, can make us hope that a steel complex will be set up soon in the province of Quebec?

[*Text*]

Mr. Gordon: Mr. Speaker, in the first place I am not exactly sure where the Renault-Peugeot works are going to be built, except that they will be in the Montreal area. If it was my good fortune to come from that area I would certainly hope that a great steel complex would be built there one of these days.

PROCEDURE

MOTION FOR CONCURRENCE IN ELEVENTH REPORT OF SPECIAL COMMITTEE

On the order:

That the eleventh report of the special committee on procedure and organization presented to the house on October 7, 1964, be now concurred in.

Mr. H. A. Olson (Medicine Hat): I would ask that this motion stand. I hope we can go ahead with it on Monday.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received, as follows:

15 October 1964

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today, the 15th October, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
A. G. Cherrier
Assistant Secretary to the Governor General

EXTERNAL AFFAIRS

RUSSIA—REPORTED CHANGES IN LEADERSHIP OF COMMUNIST PARTY

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct one or two questions to the Secretary of State for External Affairs regarding the reported resignation of Chairman Khrushchev and the succession of Alexei Kosygin, a deputy premier, as acting premier, and Leonid Brezhnev as head of the communist party, he having previously been chairman of the praesidium. Is the minister in the position to give the house any idea whether the accession of these two men signifies any disagreement between them and Chairman Khrushchev over the question of coexistence and, particularly, whether in view of their rather close relationship over the years with Mao and communist China their achievement of power does, in the opinion of the Department of External Affairs, cause any fear for international security and peace?

Hon. Paul Martin (Secretary of State for External Affairs): Over the past 24 hours there has been private speculation, and, since this morning there has been considerable public speculation, concerning changes in the direction of the government of the Soviet union. These rumours have been given substance by the failure to publish today the U.S.S.R. government newspaper *Izvestia*. I am advised that it is possible there might be a publication of this newspaper by the end of the day. This is a pattern that has been observed in the case of other important changes in the government of that country.

We are led to believe that official announcements of changes at the top level in the government of the Soviet union will be made tonight or tomorrow morning. However, as of 3.30 this afternoon I cannot say that there is any official announcement that I could rely on at this moment which would confirm these speculations. In any event, I would ask my right hon. friend not to press me for views as to what these changes might mean if in fact they have taken place.

Mr. H. W. Herridge (Kootenay West): A supplementary question, Mr. Speaker. In view of the great international importance of this news, would the Secretary of State for External Affairs keep the house fully informed on any information he gets from our ambassador in Moscow with respect to the truth of these reports?

Mr. Martin (Essex East): Mr. Speaker, this matter is of considerable importance to this parliament, to the people of the country and to the world, and I certainly will keep the house informed. I have just received a further bulletin, which confirms that there is no official information as yet.

Inquiries of the Ministry

MINES AND TECHNICAL SURVEYS

INQUIRY AS TO LOCATION OF PROPOSED NEW OBSERVATORY

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is to the Minister of Mines and Technical Surveys. I am sure we were all interested in the fact that it was indicated to Her Majesty the Queen when she was here that there would be a giant telescope and observatory constructed in western Canada which is to be called the Queen Elizabeth II observatory. Could the minister tell us where this observatory will be located; or if that information is not available, when he could give us some word in regard to it?

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): Mr. Speaker, I thank the hon. member for Red Deer for his question. I agree with him that this announcement was received by Her Majesty, and I think the country at large, with great pleasure. But I would point out that it is a recent announcement. Before the announcement was made there had been some investigation as to site, but those investigations have not been completed. The officials of my department are considering possible sites, knowing the necessity for making a decision at an early time. I think perhaps within three or four weeks we will be able to tell my hon. friend what selection has been made. Certainly it will be made on a technical basis, so that this will be one of the most important telescopic sites in the world.

AGRICULTURE

TURKEYS—REIMPOSITION OF QUOTAS ON IMPORTS FROM U.S.

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Minister of Agriculture, and in his absence I should like to direct it to his parliamentary secretary. My question involves an urgent matter. Would the minister consider raising the import tariff on live turkeys coming into Canada from the United States, or impose import quotas so as to give adequate protection to turkey raisers who will otherwise be put out of business?

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I have in my possession a telegram received by the minister from the Canadian turkey federation. It suggests that they may request a meeting with the minister, and the minister has replied that he would be delighted to meet with them at any time.

FISHERIES

NEGOTIATIONS RESPECTING ESTABLISHMENT OF STRAIGHT BASE LINES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I should like to direct a question to the Minister of Fisheries. It has been some time since we discussed his estimates, and I should like to ask him whether in the interval any progress has been made in negotiations which will enable him to indicate to the house when he expects some straight base lines to be established which will untangle our fishing zones from the sinuosities of the coast line.

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as I previously stated in the house, the second phase of negotiations is under way. In recent weeks we have had discussions with a number of countries, yesterday with Norway and the week before with Denmark. These negotiations are not completed and I will not be in a position to give any further details to the house until they are completed.

IMMIGRATION

TORONTO—STATUS OF PERSONS CONCERNED WITH NEWSPAPER STRIKE

On the orders of the day:

Mr. Hubert Badanai (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, on October 7 the hon. member for Danforth asked the Minister of Citizenship and Immigration whether he had completed an investigation into the I.T.U. situation in Toronto, particularly with reference to people from outside Canada who were working for the newspapers, and if he had completed his investigation was he in a position to give the house a report.

On behalf of the minister I wish to say that the persons involved number 12, of whom five have been admitted as landed immigrants. Of the remainder, six have been permitted to enter Canada without status and one is an applicant still in the United States pending a decision in his case.

Of the five admitted, one is of managerial status and does not come within the context of the strike situation. The other four were to meet all the requirements for persons seeking to become landed immigrants, and

they were consequently granted such status on the basis that they qualify under our legislation. Nevertheless, had the immigration officials responsible for the admission of these four applicants recognized the sensitive nature of the situation existing between the union and the newspapers in Toronto, and that it might be interpreted that these persons were not bona fide immigrants capable of meeting all our legal requirements, as our officials were convinced they did, then their admission might have been delayed in order to get direction from the immigration branch headquarters at Ottawa. The fact is they have now been landed and the law makes no provision to reverse that action in cases such as this.

As for the remaining seven persons, six are in Canada without status. We shall look further into their cases and shall take cognizance of the extremely sensitive situation in respect of the newspaper strike. The minister proposes to consult further with his colleague the Minister of Labour, and decide as quickly as possible whether they will allow these persons to remain in Canada or see that they leave. The seventh person in this group, the applicant in the United States, will not be admitted.

It should be pointed out that the persons to whom I refer today, who have already met our immigration requirements for landed status or might possibly do so, are entirely different in character from the group regarding whom the minister reported to the house on August 28. That group consisted wholly of non-immigrants who could readily be excluded from Canada.

Mr. Stanley Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. Will the parliamentary secretary ask his minister, when he discusses this matter with the Minister of Labour and any other colleagues, to have regard to the assurance the Prime Minister gave some months ago that strikebreakers would not be permitted to come into Canada to exacerbate the situation in Toronto? In view of the information that has been given today and in view of the information that was given yesterday, as found on page 9036 of *Hansard* in response to a starred question of mine, will regard be had to announced government policy in connection with this matter?

Mr. Badanai: I shall bring this question to the attention of the minister.

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. Can the parliamentary secretary tell us anything about the work being done by the six individuals who have been permitted in without status? It seems to me they have been here quite a while and this matter should have been investigated. Is there any information as to what they are doing and for whom they are working?

Mr. Badanai: Mr. Speaker, the matter of any further information with regard to this question will be brought to the attention of the minister and he will be able to report.

ROYAL CANADIAN MOUNTED POLICE

PURPORTED REPRODUCTION OF SECURITY INSTRUCTIONS ON ROYAL VISIT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question is directed to the Minister of Justice and is based on the edition of *Le Soleil* for last Tuesday, October 13, in which is printed textually on the front page what purports to be a translation of a confidential order to members of the Royal Canadian Mounted Police signed by Superintendent J. A. A. Thivierge and giving instructions to all sections, "C" division, regarding measures to be taken to provide security for Her Majesty the Queen during her recent visit. Can the minister explain how this confidential document came into the possession of or was made available to the press, and will he cause an investigation to be made as to when it was so made available and under what circumstances?

Hon. Guy Favreau (Minister of Justice): Mr. Speaker, I must say I have not read *Le Soleil* of last Tuesday. However, since the hon. member has brought the matter to my attention I shall of course inquire.

Mr. Churchill: Why did your officials not bring it to your attention?

FINANCE

AMENDMENT OF ACTS ADMINISTERED IN INSURANCE DEPARTMENT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill No. C-123, to amend certain acts administered in the Department of Insurance.

He said: Mr. Speaker, this bill, an act to amend certain acts administered in the Department of Insurance, proposes amendments to four acts, namely the Canadian and British Insurance Companies Act, the Foreign In-

surance Companies Act, the Trust Companies Act and the Loan Companies Act. As I explained in the statement made on September 22 prior to the first reading of the bill, the bill has two principal purposes. One is to expand the investment powers of federally incorporated insurance companies, trust companies and loan companies, and the other is to enact a measure designed to retain in Canada ownership and control of those federally incorporated life insurance companies, trust companies and loan companies that still remain in Canadian hands.

At the conclusion of this debate I intend to move that the bill be referred to the standing committee on banking and commerce. Opportunity will thus be provided for examining into the details of the bill to the extent that the members of the committee see fit. In these remarks I shall, therefore, not attempt to go into great detail but will deal rather with the main points involved.

Some of the changes in the investment powers were forecast in my budget speech earlier this year. These would expand the powers of insurance companies, trust companies and loan companies to invest in common shares and would broaden the range of shares eligible for investment.

Insurance companies are now limited to a maximum investment in common shares of 15 per cent of their total assets; the bill would raise this limit to 25 per cent. At present common shares are eligible investments if they have a seven year dividend record of a prescribed amount. The amendments would reduce the seven year requirement to five years and, in addition, would make common shares eligible investments if the issuing corporation has an earnings record over a period of five years that would have permitted it to pay a dividend at the prescribed rate whether the dividend was in fact paid or not.

This new earnings test is of particular significance for shares of wholly owned Canadian subsidiaries of foreign corporations. If the parent corporation decides, as I hope many will, to make some of the shares of the Canadian subsidiaries available for investment by Canadians, this test will make the shares eligible investments for insurance companies if the subsidiary has an adequate earnings record regardless of whether it has been paying dividends to the parent company or not. Hon. members will appreciate, of course, that this would qualify the shares of Union Carbide of Canada for such investment.

In addition to these specific changes in the eligibility requirements for common shares,

[Mr. Gordon.]

companies would be given additional freedom to invest in assets of their choice regardless of the specific eligibility provisions in the act. At present this freedom is limited to a total investment of 5 per cent of the company's assets. This limit would be raised to 7 per cent. This additional freedom would also enable companies to invest in a broader range of common shares should they wish to do so.

To remove another possible deterrent to investment in common shares, the rules for valuing common shares, and also other assets not now permitted to be valued on an amortized basis, would be changed in such a way as to permit a life insurance company to absorb the impact of a drop in market values over a period of three years, rather than requiring the company to absorb the full impact in the year in which the drop occurs. This plan would ensure that the values used for annual statement purposes bear some close relation to current market values, but at the same time would relieve companies from the pressures that might otherwise be placed upon them by sharp fluctuations in the security markets.

It is not the intention of the government to force insurance companies or other financial institutions to invest their funds in common shares or in any other specific type of investment. The principle is recognized that the management of these companies must be free to exercise their own judgment within the established investment rules in the best interests of their policyholders and shareholders. It is hoped, however, that by removing some of the restrictions that now apply with respect to investment in common shares, companies will be encouraged to use the pools of investment funds available to them to increase the degree of Canadian ownership in Canadian enterprises.

Although, as indicated, the broadening of investment powers relating to common shares was the primary interest of the government in putting forward these amendments to investment powers, the life insurance industry has made certain requests for other amendments to expand these powers. It is believed to be in the Canadian public interest to expand the investment powers of insurance companies wherever this can safely be done, so that the management can have as much discretion as is reasonably possible in promoting the best interests of policyholders and shareholders of the companies concerned. Therefore, where it was felt that the safety of policyholders would not be endangered by the requested

changes, it was considered appropriate to accede to those requests.

This has led to a proposal to increase the limit relating to mortgage loans to permit companies to lend up to 75 per cent of the value of the real estate rather than only up to 66⅔ per cent as at present, and to extend the investment powers relating to investment in real estate. With respect to mortgages, the limit for many years was 60 per cent of the value of the real estate. In 1961 this was raised to 66⅔ per cent. We now believe it would be safe and reasonable to raise the limit to 75 per cent. It may be noted that the figure of 75 per cent was the recommendation of the royal commission on banking and finance. It may be noted also that a number of states of the United States have recently raised the corresponding limit to 75 per cent. This change would be of advantage to the public, I believe, because it would to some extent remove the necessity of the borrower relying on the second mortgage market to borrow the money he needs in purchasing real estate.

The major amendment relating to investment in real estate would permit companies to invest in real estate where the earnings record of the property over a recent period of years would suggest that, if continued in future years, the investment would yield a reasonable rate of return and permit the main part of the original investment to be recovered. The size of individual parcels of real estate that may be purchased would also be increased. At present there is a limit of 10 per cent on the total investment that a company may make in real estate, other than properties for its own use. This 10 per cent limit will be retained but real estate of the leaseback type where the property is leased to a government or government agency, or to a corporation that has a dividend record sufficient to make its debentures eligible investments, would be removed from this limiting provision.

A few other amendments touching investment powers would also be made but these are of lesser importance.

Life insurance companies would also be permitted under the legislation to own subsidiary life insurance companies in foreign fields. Canadian life insurance companies have long done a large volume of business outside of Canada and have been a credit to Canada's name in many foreign countries. The companies have felt that it would be advantageous to them if they could carry on some of this foreign business through subsidiary companies rather than through branch offices. It appears that certain advantages accrue to this method of operation in the light of trends in the international conduct of the life insurance business. It was deemed appropriate, therefore, to propose an amendment for this purpose but subject to such limitations and conditions as may be appropriate in the view of the treasury board. Thus companies' moves in this direction would still remain under some degree of government supervision and control. It was deemed advisable also to open the way to life insurance companies to invest in subsidiary fire and casualty companies in Canada should they wish to do so. At present, under the existing legislation a life insurance company may, with the concurrence of treasury board, transact classes of insurance other than life insurance. However, it is considered that for the protection of the life insurance policyholder it would be desirable that any moves in this direction be made through a subsidiary company rather than through a branch of the existing life insurance company. Therefore the legislation would permit a life insurance company to own a subsidiary fire and casualty company in Canada, again subject to such conditions and limitations as may be prescribed by treasury board.

The third change having to do with the ownership of subsidiaries relates to real estate. Companies would be permitted to own subsidiary real estate companies for the purpose of owning and managing real estate. There have been in recent years attractive investment opportunities in this field and the industry has expressed the view that it would be advantageous if companies could make investments of this type. It would seem that if the real estate to be owned in this indirect way is similar to that in which the company could invest directly, the safety of the policyholders' funds would not be prejudiced by permitting companies to carry on this type of investment through a subsidiary company rather than directly. Again, however, any ownership of subsidiary companies of this type would be subject to such conditions and limitations as may be prescribed by treasury board.

A further amendment that will I think be welcomed by the house would permit the governor in council to grant a company a French or English version of its corporate name, subject to appropriate publicity through advertising in the Canada Gazette. This would avoid the necessity of companies com-

ing to parliament for an amendment to their acts of incorporation for this purpose.

As respects loan and trust companies, the investment powers relating to common shares would be broadened in a manner similar to that discussed for insurance companies. Also the amendments would permit these companies to lend up to 75 per cent of the value of the real estate on a mortgage loan rather than the 66⅔ per cent as at present. This change parallels the change discussed earlier relating to insurance companies.

The limit on the amount that may be borrowed by a loan company or accepted in trust for an investment by a trust company would be increased from what is, in effect, 12½ times the excess of the company's assets over its liabilities to 15 times. It is believed that in the light of the financial strength and stability of our major trust and loan companies, such an increase is justified. It may be noted that the increase from 12½ to 15 times will be subject to the approval of treasury board on the recommendation of the superintendent of insurance. Thus, care will be taken to ensure that a company is well managed and in a sound condition before permitting it to take advantage of this provision.

The provisions relating to the granting of a French or English version of a company's corporate name noted earlier in connection with insurance companies are included in the bill with respect to loan companies and trust companies.

British insurance companies and foreign companies authorized to transact insurance in Canada are, under existing legislation, required to maintain assets in Canada on deposit with the Minister of Finance or vested in trust with trust companies at all times at least equal to their liabilities in Canada. It has been traditional to specify the classes of assets that may be so deposited or vested in trust in such a way as to make them parallel so far as is possible to the classes of assets in which a Canadian insurance company may invest its funds. This is an appropriate principle, since in both cases the welfare of Canadian policyholders is concerned. It would not seem reasonable to put the Canadian policyholders of a British or foreign insurance company in a disadvantageous position by imposing limitations on the investments of such companies that are not imposed with respect to Canadian companies. Therefore the traditional pattern is being continued and these amendments and the changes in the investment powers of Canadian insurance companies would be carried over to the classes of assets eligible for depositing or vesting in trust in Canada by British and foreign companies.

[Mr. Gordon.]

I should like to close these remarks by expanding briefly on the proposals contained in this bill concerning the retention in Canada of Canadian ownership and control of life insurance companies, trust companies and loan companies.

There are, at present, 38 Canadian life insurance companies registered under the Canadian and British Insurance Companies Act. Of these, 13 are mutual companies and thus questions relating to the ownership of shares do not arise. Such companies are owned by their policyholders. Of the remaining 25 companies 13 are under non-resident control and 12 remain in Canadian hands.

The 13 mutual companies transact 36 per cent of the total insurance business in Canada and the 25 stock companies about 29 per cent, but of this 29 per cent only 5 per cent is in the hands of the 13 companies under non-resident control at the present time, and 24 per cent is in the hands of the 12 stock companies remaining under Canadian control. This proposed legislation would apply to these 12 companies.

It may be of interest that prior to 1955 there was only one federally incorporated life insurance company owned by non-residents. Beginning in that year, and continuing through to 1960, non-residents acquired control of five federally incorporated life insurance companies, and also of two provincially incorporated life insurance companies that were registered under the Canadian and British Insurance Companies Act, and so came under the supervision of the federal department of insurance. In addition, five new life insurance companies were incorporated by parliament in this period where ownership and control were in the hands of non-residents from the outset.

It will also be of interest to mention that five Canadian life insurance companies took advantage of the amendments of 1957 to convert themselves into mutual companies. These included some of the very largest companies, and it is virtually certain that but for this action some or all of these five companies would now be under non-resident control.

There are at present ten federally incorporated loan companies subject to the Loan Companies Act, and eight federally incorporated trust companies subject to the Trust Companies Act. None of these companies is controlled by non-residents at present.

In my earlier statement I outlined in general terms the nature of the plan now proposed to prevent further purchases of existing companies by non-residents. Hon. members have now had an opportunity to examine the details of the legislation as set forth in the bill, and the proposed method of operation. Essentially, the plan is based on the control of the directors of a company over the entry of transfers of shares in the share register maintained by the company.

The relevant legislation in each case now provides that transfers of shares are not valid unless they are registered in the company's books. The plan proposed by this new legislation will require the directors to refuse to allow the entry of any transfer of shares in the books of the company where the transfer would cause the total number of shares registered in the names of non-residents to exceed 25 per cent of the total number of issued shares, or where the transfer would cause any such proportion that exceeds 25 per cent to be increased.

Further, the directors would be required to refuse transfers of shares to any one non-resident where the transfer would result in the non-resident, together with shareholders associated with him, becoming the registered holder of more than 10 per cent of the total number of issued shares. If any non-resident together with associated shareholders holds more than 10 per cent of the issued shares, this rule would not require any reduction in the holding but would require the directors to refuse to allow the entry of any transfer of shares that would increase the existing holding.

These requirements would make it necessary for the directors to satisfy themselves as to the residence of anyone requesting that shares be registered in his name. To meet the possibility of shares being registered in the name of a Canadian resident, where the beneficial owner is a non-resident, it is proposed in the bill that no one be permitted to vote shares held in this way. The directors would therefore call for declarations concerning both residence and beneficial ownership where shares are to be voted.

A further provision is included in the bill to the effect that if shares of a company to which the legislation applies are held by a non-resident directly or through nominees, and if the shares so held together with shares held directly or indirectly by shareholders associated with the non-resident exceed 10 per cent of the total number of issued shares, no one will be permitted to exercise the voting rights pertaining to the shares held by or for the non-resident. This provision woud prevent a non-resident from gaining control of a company by such means as owning 10 per cent of the shares directly and owning all the rest of the shares indirectly through a holding company or through a Canadian nominee.

As noted in my preliminary remarks on September 22, certain exemptions will be provided, based upon holdings existing at that date. In the case of a company where more than 25 per cent of the shares were held by non-residents at that date, the legislation would not require any reduction in the holding but would prevent any increase. Further, there would be no reduction in the voting power with respect to any holding of shares in excess of 10 per cent of the total number of shares that existed on September 22, unless such holding is increased after that date.

Also, it was noted that the legislation would not apply to a company that was then under the control of non-residents in the sense of having more than 50 per cent of its issued shares held by or for one non-resident. I may add, as may already have been noted, that the proposals would not prevent companies being incorporated in the future where the majority ownership is with non-residents from the outset, if this were the wish of parliament. Thus it is not intended by this legislation to close the door to the formation of life insurance companies by non-residents.

Another point of interest on which I might make some clarifying remarks is that relating to the transfer of shares that may take place between September 22 and the date this legislation becomes effective. It is not intended by this legislation to reverse any transactions that may take place in this period. However, the legislation would provide that, when it comes into effect, the voting rights will be suspended in respect to any shares transferred during this period where the transfer would have been prohibited had the legislation been in effect on September 23. This rule will apply principally with respect to the 25 per cent limit. Thus directors of companies concerned should take care to keep an adequate record of any such transfers that take place in this period, since the subsequent voting rights of the shares may be affected by this legislation.

Since this bill was introduced on September 23 we have received a variety of comments and suggestions. Some of the suggestions would result in improvements to

the bill, and where it is reasonably possible I think that such suggestions should be accepted. I have in mind, therefore, that a few amendments might be proposed in committee, and if I may be permitted to say so in passing, it seems to me this is a fairly effective way of proceeding, namely to announce legislation and then permit an interval of time for interested parties to examine it and, if they have changes or improvements to make, to allow them to appear before a standing committee of the house, make their case, and if the committee thinks their changes are reasonable I for one would welcome changes of that kind.

For example, an amendment would be proposed to permit insurance companies to subdivide the par value of their shares down to a minimum of $1, subject to the preservation of a reasonable balance in voting power between the shareholders and the participating policyholders of a life insurance company. I might say the purpose of this is to reduce the market value of individual shares, so that there will be a broader market in Canada for the shares of certain companies.

A further amendment would permit loan companies to own subsidiary trust companies. We already have two examples of this situation now existing, and with the proposed modification in the borrowing limits, a parent-subsidiary relationship in this field would not weaken the protection given to depositors and debenture holders by these limits. A third amendment to the act would give insurance companies the power to invest in real estate which is leased to a municipal government in addition to the power proposed in the bill to invest in real estate which is leased to a national, provincial or state government. There may also be one or two other amendments of a minor and technical nature which the committee might be willing to entertain.

Those were the principal comments I wished to make before emphasizing again that at the conclusion of this debate I will move that this bill be referred to the standing committee on banking and commerce.

Mr. Lambert: May I ask the minister a question? It is related to a point of order. Is he satisfied that the amendments he proposes to put forward in committee do not extend the principle of the bill? If they do, he would find himself in a procedural difficulty because we could not adopt the amendments if they had the effect of extending the principle of the bill.

[Mr. Gordon.]

Mr. Gordon: I am satisfied they do not extend the principle of the bill. In any event I put these suggested amendments forward by way of explanation. It will be up to the members of the committee to decide whether or not they should be approved.

Hon. George C. Nowlan (Digby-Annapolis-Kings): We have listened with a great deal of interest to the minister giving a general outline of this bill, a bill which in effect amends four different Canadian statutes. As the hon. gentleman has said, most of these amendments are technical, at least as far as investments are concerned, and I agree it would be much better to deal with them in detail when we are in the committee. I agree also that this measure should be referred to a standing committee of the house rather than be dealt with here, in detail, in committee of the whole. If this is done I am sure the committee will spend several lengthy sessions considering these intricate matters; I am glad to see the chairman of the committee smiling hopefully as he assesses the task ahead.

As the minister has told us, we are dealing here with the Canadian and British Insurance Companies Act, the Foreign Insurance Companies Act, the Trust Companies Act and the Loan Companies Act. Quite a mélange. As a lawyer who practised for a long while in a small town I always took strong objection to these blanket amendments in which three or four acts were dealt with under one roof. In the absence of a large legal staff or the facilities of a great library one can devote a great deal of time delving into statutes looking for an amendment to, say, the Insurance Companies Act. You do not find one; you tell your client there has been no amendment, and then, by golly, you find it has been amended as part of a blanket operation which includes half a dozen others. This is a bad practice. I am not blaming the minister, in particular; the government in which I had some part to play carried on the same practice, over my protests I must say. And I still think the practice is a reprehensible one. However, that is a more or less technical point which I raise in passing.

As the minister says, this bill can be divided into two principal parts, one dealing with control and ownership and the other dealing with investment powers of companies. The hon. gentleman spent the major part of his time dealing with the investment provisions. Each of these parts is technical, but I think the investment sections are the more technical of the two. I do not propose to

spend much time on them this afternoon; we shall certainly deal with them in committee. The government proposes to increase the amount which insurance companies may invest in common stocks from 15 per cent of their total assets to 25 per cent. It proposes to increase from 66⅔ per cent to 75 per cent the limit on mortgage loans in relation to the value of the real estate; it is also proposing to amend various other investment sections. All these proposals have merit, I think, and all of them will have to be carefully considered by the committee. I believe the committee will be the place in which to deal with them rather than try to deal with them at any length this afternoon.

As I see it, the major problem presented by this bill is one to which the minister himself referred in the latter part of his speech, namely the ownership and control of companies of this type. We must remember that when he gave notice of this bill the minister told us that provisions similar in character would be applied to the Bank Act when amendments to that act were brought in later on—whether this session or next session would depend on when prorogation takes place—and we would have to consider at that time an extension of these principles to banks as well as to the companies named in the measure before us.

The provisions dealing with control are, again, capable of being divided into two parts. One section deals with ownership by one foreign person or by associated persons or companies of 10 per cent or more; the other deals with the broad foreign ownership of 25 per cent or more. At least it should be said about this bill, as compared with other legislation we have had in this field, that the minister is not making it retroactive. In this way he will avoid some of the troubles he has encountered in connection with former measures he brought in to the same effect. This one would apply only to transfers which had taken place subsequent to the evening when he announced this legislation in the House of Commons.

I suppose that as far as this 10 per cent provision is concerned we should not quarrel too much with it. That one small group might get control by acquiring 10 per cent or more of the shares of one of our trust or insurance companies is a matter of concern, and I can understand why the minister is taking a close look at it. Ten per cent of the shares might give them operative control, in any event. When it comes to the phrase "not exceeding 25 per cent ownership" I am not so sure of the ground upon which he is operating. The royal commission on banking suggested it was wise to have a broad diversification of ownership. I think 25 per cent is not a wide distribution at all and that there is no great danger in this type of control. I noticed that the minister kept referring to "non-Canadian control". He repeated the expression time after time. I suppose that technically one could say "non-Canadian control" if shares are owned by shareholders outside Canada. But is it non-Canadian control or is it non-Canadian ownership? I suggest that the problem with which the minister is trying to deal is the problem of non-Canadian ownership, not that of non-Canadian control. I would point out that all these companies to which the present bill refers, the insurance companies, the trust companies and the loan companies, come under the direction of the superintendent of insurance and of the Department of Finance in general, under the control of the minister, and that those companies are very strictly controlled indeed. I do not think it is necessary to have legislation such as this to effect control when the parliament of Canada under existing legislation, or under legislation which could be enacted at any time, could exercise whatever control was thought desirable. For instance, if the minister wished to do so, and if parliament approved—I am sure the hon. gentleman would not wish to do so—we could order the Metropolitan Insurance Company down the hill here, a foreign controlled corporation, to invest all its funds in Dominion of Canada bonds. We have absolute power to control all its activities.

I checked briefly on some of these powers today. I do not intend to take the time of the house by going over them in detail, but the Canadian and British Insurance Companies Act itself says that it is "intended to define the status and the power of such companies incorporated by parliament and to prescribe limitations on the exercise of such powers." Those words are in the statute itself. Then it goes on to carry out this intention, and I must say it does so in minute detail.

I am not going to detail the sections that establish the qualifications of directors. This act deals with the transfer of stock. Sections 10 to 15 deal with the transfer of stock, its allotment, calls on stock, and so on. Sections 24 to 28 dictate provisions for meetings; when they shall be held, how often, and so on and so forth. Sections 29 to 35 set out the extent of liability of companies and their agents, and so on. Then, dealing with insurance funds, sections 63 to 68 prescribe the nature of the

investments insurance companies can make from government securities to real estate mortgages, and all the rest of it. These matters are defined there. Sections 69 to 71 require the most detailed reporting of the affairs of such companies. Among other things, it requires twice-yearly reports to the department and it sets out what may and may not be included in these statements. Sections 72 to 78 outline the rather considerable authority and duties of the superintendent of insurance.

I could go on, Mr. Speaker, but I am simply pointing this out to emphasize the fact that I think we are here dealing in semantics rather than actuality, to a certain extent at least, when talking about foreign control, because the parliament of Canada, so far as all these companies are concerned anyway, under our existing legislation has very, very great control indeed. I think the minister deserves credit for trying again. I say this kindly; I think he has somewhat of a fetish on ownership and sometimes I think that influences his judgment to a certain extent and he may exaggerate these matters; because, as I said, the Canadian parliament, we in that parliament, the superintendent of insurance, the Minister of Finance and the department have the absolute power of life and death over these companies, which are controlled by this legislation at the present time. It is different entirely from the problem with which the minister was dealing previously. For instance, there are General Motors, INCO, and manufacturing companies controlled outside the country over which we do not have the legislative control that we have over these particular companies. As I have said, Mr. Speaker, I am not at all sure that it is necessary. The end may be all right. I am not quite sure what the end is; but I am wondering what the results will be of legislation such as this in accomplishing something which in broad outline, in so far as 25 per cent or so is concerned, is already a matter of Canadian parliamentary control.

I think we lose by legislation of this kind a certain flexibility of control which we have now. I think it would be more flexible under the present legislation than it will be under the change. I do not know what is going to happen. Naturally, not being a shareholder in any of these companies personally, I am not concerned, and I know none of us is concerned, with the effect on the shares of the companies per se; but I think it is going to have an adverse effect on the valuation of these shares. What you are doing is taking away the age old right with regard to private property, that of being able to sell something that you own and sell it to a person to whom you want to sell it. There are some restrictions on that today, I know, but they are very, very few. This legislation restricts that right and says that if you sell, the man who buys will be very foolish because he will not be able to transfer his shares; he will not be able to vote them. This creates a problem, because I think you may have one market for shares inside this country and one for shares outside the country. We are going to have, too, I think, a rather black eye again with regard to investment in Canadian securities.

Of course this measure will not affect anyone who bought shares up to September 23. But people who bought them at that time may want to buy more, and they are going to find themselves up against this provision with respect to registration. I doubt very much whether this type of legislation is in the interests of the Canadian financial community. As I said, Mr. Speaker, there are some elements of control in regard to foreign companies in certain areas and certain corporations, with regard to which I agree steps need to be taken. However, I doubt very much if they need to be taken in this particular field.

The minister spoke about the purchase of subsidiaries, or dividends, and I believe he referred to Union Carbide. That was a very happy way of repatriating a lot of dividends and getting them out of this country. I am not sure what the effect will be in the end, in so far as Canadian markets are concerned, where shares to the value of $60 million, $70 million or $80 million are sold and dividends are accordingly repatriated. The minister's purpose is to encourage minority interest in foreign-controlled corporations. I wonder just how much good it does to have 10 per cent, 15 per cent, 20 per cent or 25 per cent interest in a foreign-owned corporation. The control, I think, is exercised within the small group of directors, and moneys which are being invested for some reason in these equities in a minority position could much better be used in the development of further investment in Canada and in strengthening our financial position here, rather than doing it as is proposed in this bill.

Mr. Speaker, I notice that the clock is rapidly approaching the hour of five. There will be ample opportunity to discuss this measure in committee, when we can deal with the details of it. I know there are other hon.

members who wish to speak on this bill, and that is all I propose to say at this time.

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

PRIVATE BILLS

LAURENTIDE BANK OF CANADA

Mr. Ron Basford (Vancouver-Burrard) moved the second reading of Bill No. S-13, to incorporate Laurentide bank of Canada.

He said: Mr. Speaker, it is my pleasure and honour to move the second reading of Bill No. S-13, to incorporate the Laurentide bank of Canada and to ask the house to refer the bill to the standing committee on banking and commerce. The incorporation bill in this case follows the example set out for these acts in the Bank Act. You will note from sections 1 and 2 of the bill that the sponsors of the bill and the provisional directors of the proposed bank are Mr. Peter Paul Saunders and Mr. Andrew Saxton, president and executive vice president respectively of Laurentide Financial Corporation, together with Mr. William Mainwaring, Mr. Paul Paine, Q.C., Mr. Edgar Saba and Mr. Howard Mitchell, all of the city of Vancouver, and Mr. Bernard Bourgeois, Q.C. and Mr. Lionel Leroux, both of the city of Montreal.

Naturally the sponsors will appear before the banking and commerce committee, where each of them may be examined individually as to his experience and ability. I would assure the house now that all of them are men of wide and varied experience in the financial, professional and business activities of their communities.

The capital of the new bank will be $30 million, divided into three million shares. The banking and commerce committee will be able to examine the plans for sale and distribution of these shares in detail. However, that committee will see that through the proposed distribution to the widely dispersed and varied existing Canadian shareholders of Laurentide Finance to the extent of 47 per cent, and through underwriters to the general public to the extent of 53 per cent, the shareholders of the new bank will represent a wide and varied segment of the investing public and that control of the bank will not rest with any small group of people or corporations.

Section 5 of the bill is a special section which provides, first, that the directors of the bank shall be Canadians and, second, that at least 90 per cent of the shareholders of the bank shall be Canadian. These provisions anticipate the legislation that we were discussing in the house this afternoon, and which we will be discussing this evening, as introduced by the Minister of Finance (Mr. Gordon). It is interesting to note that long before the Minister of Finance introduced this legislation, the promoters of three private banks were prepared to come to parliament promoting them in terms more stringent than the legislation introduced by the Minister of Finance.

Hon. members will note from the bill that the head office of the Laurentide bank shall be in Vancouver; that six of its provisional directors are from British Columbia and two are from the city of Montreal. It is intended that the bank shall be thoroughly national in character. It is obvious that any new national bank must start from some regional base, as did our existing chartered banks, and therefore the first branches will be opened in and around the two cities of Vancouver and Montreal, where the provisional directors reside. It is intended eventually, as conditions warrant, to provide a general banking service throughout Canada. It is because the head office will be in Vancouver and the principal management will be located there that I am proud to associate myself with this bill and with the incorporation of the Laurentide bank of Canada.

Without being critical of the existing banks, I am also aware of the difficulty that western Canadian businessmen face in capital formation. In the west, and in British Columbia particularly, we have a fast growing and developing region, a boom area, and yet not one chartered bank has seen fit to have a head office west of Toronto—a head office and financial policy oriented to the special needs and problems of western Canada. We in British Columbia have long felt the need of establishing financial institutions that are oriented to our special needs and problems, and I would hope that no one in this house will stand in the way of helping to fill this need for British Columbia.

Many members are not familiar with the tremendous developments going on west of the Rockies. Briefly I would point out that the gross provincial product of British Columbia, as of 1963, is equal to the gross national product of Canada in 1924. In 1924 Canada had some 19 chartered banks instead of the

present eight. Our economy in British Columbia now is equal to that of the whole of Canada in 1924 and is such as to require, and is certainly well able to support, the head office operations of a new bank.

The other region of Canada to be immediately served by this bank is the province of Quebec. There are two leading French Canadians on the board of directors. Laurentide Financial Corporation has carried on business in the province of Quebec for a long and, I think, happy period. I trust members from Quebec, all eager to see the further development of their province, as I am of mine, will recognize the value of creating additional banking facilities within their province to contribute to the economic development of Quebec.

This is the second bill to come before this house for the incorporation of a bank. Some members have raised the question of whether Canada needs additional chartered banks. Members of the banking committee will want to examine this question in detail. Briefly, however, I would refer members to the royal commission on banking—the Porter report—which throughout makes it clear that in the opinion of the commission there is no hazard to Canada's chartered banking system by the incorporation of additional chartered banks. The Porter report has recommended a more open and competitive banking system. It has referred to the dangers of undue concentration in our banking system. I quote very briefly from page 362 of the report where it states:

> There must be sufficient competition among these institutions that borrowers and savers have alternatives open to them.

If the incorporation of an additional bank would endanger the Canadian banking system, one of the finest in the world, any of the existing banks or the Canadian bankers association had the full right and opportunity to come before the Senate committee and say so. They did not. Our Canadian bankers believe, like most members of this house, in the free enterprise system, and believe that the very essence of that system is the free play of competitive forces. We do not believe in the stifling of competition. Surely we cannot believe that our banking system should be left static, and ultimately by way of merger and takeover, fall into the hands of two or three chartered banks. In the last ten years alone the number of banks has gone from 11 to 8. This process should not be allowed to continue.

[Mr. Basford.]

There are those in the house, of course, who do not believe in the free enterprise system. There are those in the house who want to make drastic and sweeping changes in the banking system, but surely they also are not going to use their position in this house to prevent passage of this bill, resulting in protecting the existing chartered banks from further and desirable competition, and resulting in their giving the existing banks a monopoly over Canadian banking business.

There are those who point to the number of branches that we have in Canada, and say that that number is ample and sufficient for the needs of Canada. I suggest, Mr. Speaker, that it is not sufficient simply to say that we have so many branches and that that is enough. Surely a bank is, and must be, a policy making financial institution, whose services may be offered by one branch or by a thousand branches. The paucity or abundance of its branches is nothing more than a convenient extension of its services, but is not an extension of its policies. A bank, no matter how many hundreds or even thousands of branches it may have in operation, is one bank, having one policy, paying one rate to its depositors and demanding one rate from any particular class of borrower. This policy is formulated at head office and simply implemented by the large number of branch managers, and there is certainly not one policy for each branch, but one for the entire structure.

In Canada we have now shrunk to the point where, other than in Quebec and small portions of Ontario and the maritimes, there are only six chartered banks, and I include the Mercantile Bank in this number. In British Columbia we have only six, and in Alberta only five. To me it is self-evident that the person proposing to transact banking business and having eight alternative policy making financial institutions to which to turn obviously is better served than the Albertan or British Columbian who is limited to five or six. To me it is obvious that an increase in the number of chartered banks, thus providing to Canadians and the Canadian economy additional policy making financial institutions, can only be of benefit to the growth and development of our economy.

The incorporation of this bank was endorsed by my own premier, Premier Bennett, who is somewhat involved in the banking business himself, when he made it clear to the banking and commerce committee of the Senate that he fully supported the incorporation of the Laurentide bank.

At page 50 of the proceedings of that committee on July 22 appears the following statement:

> Hon. Mr. Bennett: I would say that British Columbia welcomes the Laurentide bank as well.

I can only assume that the premier's friends here in the house, both in the Social Credit party and in the Créditiste party, will allow this bill to go to committee in order to indicate that the premier was being completely frank and honest with the Senate and with the country.

In deciding whether to incorporate this bank or any other bank one must surely apply the standards laid down by the Minister of Finance (Mr. Gordon) in the house some months ago. First is it properly financed? I say that the Laurentide bank of Canada, with a proposed capitalization of $30 million, with the support it will obtain from Laurentide Finance Corporation and the general public, is properly financed. Second, is it supported by financially responsible people? In my opinion, Mr. Speaker, in my brief outline with respect to the sponsors of the bill I have indicated that they are financially responsible people with wide and varied experience in the business life of their communities. Third, will control of the bank remain in Canadian hands? Section 5 of the bill provides for this.

I suggest that the Laurentide bank of Canada meets all of these conditions and careful scrutiny by the members of the banking and commerce committee will satisfy them that the Laurentide bank should be incorporated. In the words of a Vancouver *Sun* editorial of July 25, 1964:

> The bank is assured of a broad and diversified ownership, yet its backers have the resources of experience to ensure that it will be firmly established. One of its main objects is to meet the special needs of British Columbia industry and people. In this it will fill a long felt want. We welcome the bank's progress and wish it success.

There is no good or valid reason, Mr. Speaker, why the bill should not now be referred to the banking and commerce committee so that careful scrutiny of its proposals can be commenced, and I ask the house to give the bill second reading now and refer it to the banking and commerce committee.

[*Translation*]

Mr. Laprise: Mr. Speaker, would the hon. member allow me to direct a question to him?

Mr. Basford: Certainly.

Mr. Laprise: Does the hon. member know that the sponsors of Bill No. S-13 have asked for three million shares, which would increase the sales value to $30 million instead of $10 million? Is that correct?

[*Text*]

Mr. Basford: Yes, this is true. An amendment to the bill was made in the other place. The original bill provided for a capitalization of $10 million and an amendment was moved and approved in the Senate to make the capitalization $30 million or three million shares.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in view of the fact that this year we are seeing a proliferation or a sort of covey of applications for the incorporation of banks, I think it would be useful to look at the history of banking and chartered banks in Canada to see what has been the effect of the chartering of banks. Today we have a very limited number of chartered banks which are all engaged in the branch banking business. I suppose it is ultimately the intention of the incorporators of the Laurentide bank and of those who have other such proposals before parliament to go into the branch banking business, if business so warrants. Otherwise one might say to them: You are limiting your operations; all you want to do is to get in on the cream of the business.

In so far as stability and the requirements of the banking system of this country are concerned, banking is a quasi-public service and there are responsibilities in so far as the public of Canada are concerned with regard to the offering of banking and credit facilities. We know that much of the operations of the chartered banks today, particularly with the great expansion in the number of branch banks, is on the basis of a quasi-public service. If one were able to study the profit and loss statements of each branch, he would see that a great number of the smaller branches are in effect operated at a monetary loss, although I am sure that in the over-all picture they are not operated at a loss. Otherwise the chartered banks, who are not in the business merely shall we say for charitable purposes, would certainly not continue the operation of branch banks measured only on a profit and loss basis.

However, in the examination of any of these proposals to incorporate new chartered banks I think it would be good to look at the evidence of the superintendent of insurance when he appeared before the banking and

commerce committee of the other place, in order to indicate just what has happened with regard to banks chartered by parliament. The first bank charter was granted back in 1822 in the old province of Canada, and between that time and 1867 some 80 banks were created in British North America, of which 35 had survived as of July 1, 1867.

It is instructive to note that those banks incorporated prior to 1867 have exhibited some characteristics of longevity which are rather admirable, because five of those banks or their successors are in operation today out of the total and limited number of chartered banks now in operation. However, as we know, in 1867 banking was placed under the exclusive jurisdiction of the parliament of Canada, and since that time up to the present day 77 further banks obtained charters, of which only three have survived. Of the 112 banks that were active on or which have been incorporated since July 1, 1867, 104 have ceased to exist. Of these, 38 never commenced business. I think it is quite instructive to note this as we go along in that we have three and possibly four proposals to consider this year and it is to be wondered whether they will all actually commence business. Twenty eight of those 112 banks have failed and 38 have been taken over or have been amalgamated with other banks. True enough, because of their limited operations and their limited financial resources it is quite probable that many of the mergers in earlier years were really for the purpose of salvaging the business and they would have failed had they not been taken over by stronger institutions.

We may say that 104 have ceased to exist, including 28 which failed and 38 which were amalgamated, but what did this mean so far as loss was concerned? I think it is an indication of the strength of the Canadian banking system that losses to the public have been only $15 million over the whole history of banking in Canada, of which half resulted from the failure of the Home Bank of Canada. The sum of $15 million included only a quarter of a million dollars of bank note holdings, and all of those losses occurred prior to 1882.

The last bank that failed in this country was the Home bank, in 1923. In looking at the structure and stability of our Canadian banking system I think it is very instructive to note that it survived a really serious onslaught during the early depression years. In other countries we saw banks falling by the wayside like grain before the scythe or mower. But in modern times, in the last 50 years shall we say, there were five banks incorporated which never commenced business. In the period 1913 to 1923, there were six mergers; from 1923 to 1934 there were seven mergers; from 1934 to 1954, there were no mergers; from 1954 to 1964, there were three mergers.

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

Mr. Lambert: Yes.

Mr. Basford: I presume he is aware of the fact—I am not sure of the point he is making—that since the creation of the office of inspector general of banks in 1924, there have been no bank failures, and that under the modern Bank Act no bank, even after it has been granted a charter by parliament, can commence business until it receives a certificate from the treasury that it is in a position to commence business.

Mr. Lambert: This is granted, and I am sure it was as a result of the Home bank failure of 1923 that the office of superintendent of banking was created. This is an indication that the appropriate steps were taken and that control by parliament of our Canadian banking system has been salutary.

Let us have a look at the location of banks that have been incorporated, because it has been indicated there is a certain regional interest in promoting banks today. This is a small example, but we have one called the bank of western Canada with a proposed head office in Winnipeg. There is another, the bank of British Columbia and it will have a head office in Vancouver. There is this Laurentide bank and the petitioners for it are from both Montreal and Vancouver. This may be said to have a national span, but in essence the directors as named in clause 1 of the bill are primarily from Vancouver. They are in finance, the printing business and other businesses.

The hon. member for Vancouver-Burrard (Mr. Basford), who is the sponsor of the bill, has indicated a great desire for a bank with its head office located in Vancouver. I suppose this may have been of some consideration in the establishment of other banks, but perhaps not so much, because of the more limited communications that existed in earlier days. Let us look at the number of banks which have been created since confederation, their location and the number that have ceased to operate. In Nova Scotia, there were four, three of which failed and one was merged; in

New Brunswick there was one, which failed; in Prince Edward Island there was one, which was merged; in Quebec there were nine, of which two merged and the remainder failed; in Ontario there were 16, of which ten were merged and the remainder failed; in Manitoba there were two, of which one failed and one was merged; in Saskatchewan there was one, which was merged; in British Columbia there were two, one of which failed and the other was merged.

As to those charters which were issued but not used, it is interesting to note the following figures: two in Nova Scotia; two in New Brunswick; ten in Quebec; 13 in Ontario; seven in Manitoba; two in Saskatchewan; one in Alberta; one in Yukon, making a total of 38 charters which were granted but never used.

In so far as the present bank is concerned I feel that the provisions relating to shareholders are an improvement over some of the provisions brought forward by the Minister of Finance (Mr. Gordon) in relation to maintaining Canadian control. The requirement is that a director shall be a subject of Her Majesty and ordinarily resident in Canada. In other words he shall be a British subject resident in Canada. Other legislation merely asks that they be residents of Canada though they may be citizens of any other country in the world. This is an element of Canadian ownership, of Canadian fiscal control in connection with the operations of the bank. There are restrictions also in connection with the registration of shareholders and of shares of non-residents of Canada. I feel it is incumbent upon me at this time to draw attention of hon. members to the history of bank charters as issued in Canada to date, to show that not all the charters which have been issued have seen the successful operation of a bank. The mere fact that we do issue a charter does not mean that there is going to be a successful operation.

We have certain near banks. I do not know about the operations of the Laurentide Finance Company, which would be closely affiliated with this bank, but I rather suspect its operations come within the ambit of what is called a near bank. We have in the province of Alberta not only a number of these near banks but we have provincial treasury branches whose operations come within the regulations of the superintendent of banks.

I do not want to delay the legislation. I am sure other members of this house want to express their points of view with regard to this proposal. I think it should be examined very carefully. Certainly in committee there will be a number of questions to which hon. members will require more extensive information perhaps than was given before the committee on banking and commerce in the other place, although the deliberations of that committee were of considerable assistance in considering this particular matter.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): I have been interested in this bill and in the two other bills mentioned by the hon. member for Vancouver-Burrard (Mr. Basford) dealing with applications for bank charters. I think I should say at the outset that I have no fears whatever that this bank, if established, will fail because it happens that under our monetary and banking systems it is virtually impossible for a bank to fail. If anyone has any fears about that, then I would refer him to the evidence of Mr. Graham Towers some ten years ago before the banking and commerce committee when we were revising the Bank Act. I think we can be sure this is a question we do not have to bother with today, as earlier legislators had before them the possibility that a bank charter, if issued to someone, was going to be a failure. I believe that is virtually impossible today.

However, this bank interests me. It interests me because of some of the questions that were asked in the banking and commerce committee in 1955 when the small loans companies were under examination because of the amendment to the Small Loans Act that was proposed by the superintendent of insurance. I think it is not too much to say, sir, that there was not a member of that committee who was not deeply shocked by the revelations made at that time of exorbitant interest rates being charged by some small loans companies. I recall on one occasion the revelation of an effective interest rate of 80 per cent on a small loan. I might say at this point, Mr. Speaker, that I am mentioning this because, in the evidence given by Mr. Peter Saunders before the banking and commerce committee in the other place, there was a clear indication of the intention to have a very close association with the Laurentide Finance Company. Therefore I think the operations of finance companies are of interest to us in connection with this application for a bank charter.

There was not a member of that committee at that time who was not profoundly shocked to discover the exorbitant rates

charged by small loans companies, the enormous profits they were making, and the quadrupling and quintupling of the assets of these companies in the space of six or seven years, as revealed by the financial statements they were obliged to produce for the benefit of that committee.

We were also impressed by the fact that these exhorbitant rates were in no way justified by the loss records of those companies which at that time—and I do not imagine they have changed since then—were less than one quarter of 1 per cent. The usual argument in favour of exhorbitant rates is that a very risky loan is involved, yet we had evidence before us which clearly indicated, as the former superintendent of insurance pointed out, that the vast bulk of the Canadian people are almost pathologically honest and are determined to pay their debts at any cost.

We have before us a bill which is introduced largely by two extremely enterprising young men in Vancouver, one of whom I was very well acquainted with a few years ago and for whom I have a very high regard; but I was interested in the evidence given by Mr. Saunders on Wednesday, May 27, this year, before the banking and commerce committee of the other place, in which he had this to say:

> When Senator Cameron introduced our bill for second reading in the Senate, he mentioned that the bank was intended to be a subsidiary of Laurentide Financial Corporation Ltd. It has been our intention that the new bank should be in some fashion allied with the latter company, for the operations of the two institutions can be in many ways complementary one to the other as has been evidenced by similar alliances established by some of the existing chartered banks. Initially, it appeared appropriate that this alliance should take the form of a parten-subsidiary relationship, with subsequent public participation in the bank being invited when its circumstances had somewhat matured. However, it is apparent that if the bank should be a subsidiary of Laurentide Financial Corporation, the restrictions upon non-resident participation in its share capital—as set forth in section 5 of the bill before you—would have little meaning; transfer of control of the parent company to a non-resident would effectively place the bank under foreign control. I shall refer further to the question of control of Laurentide Financial Corporation later.

We have here a clear and frank statement by Mr. Paul Saunders that it was the intention of the promoters of the Laurentide bank that it should be a very close affiliate of a loan company; that in the minds of the promoters the operations of the two institutions would be complementary. I can well believe they would be so. I can well believe this would be as complementary as, in fact almost identical with a corporation which sets up a wholesale house and has a retail outlet too.

I suspect, Mr. Speaker, this is what would be the real definition of the Laurentide bank, that it is to be the wholesale house which will use the credit creating facilities of a chartered bank to funnel funds into a small loan company which will, in turn, lend them to the general public at vastly larger interest rates than the Laurentide bank itself would be legally entitled to charge. You may say, sir, that this is legitimate business, that this is the way to do it, and maybe it is. Maybe some of us do not quite like it. I do not question its legality, or anything of that sort, but it does raise another question.

The hon. member for Vancouver-Burrard (Mr. Basford) and Mr. Saunders before the Senate committee, and others who have spoken on these applications for bank charters, have stressed quite rightly the need for the establishment of a new bank in western Canada, particularly I think in B.C., and when I say that I am not speaking in any narrow, provincial, nationalistic frame of mind. But as the hon. member for Vancouver-Burrard has pointed out, there is a vast booming expansion taking place in our province at present, and there can be no question whatever that it is to some extent being inhibited by the fact that there is no chartered bank in Canada located in B.C. as its head of operations, and I would make this distinction between merely having its head office located in Vancouver and having the main centre of its operations centered in the province of B.C., in the first instance at least.

The analogy that has been drawn between the situation in California some years ago and the present situation in B.C. is a valid one. Many economists have pointed out that there is a very striking coincidence between the formation and development of the Bank of America, which was the first large bank in the United States to move on to the west coast, and the huge expansion which took place in California and which has now brought that state to the first position in the union to the south of us. Here in Canada we are now reaching the point where we need the same type of development in B.C., and I suggest that development cannot be achieved by the establishment of a bank which is going to deal, not apparently with industrial expansion but with a small loans business. It is going to provide the raw materials for a small loans company.

I am not suggesting for a moment that such a bank should not be established, but I am

rather afraid, and I have some misgivings on account of what I heard in the other place and here, that if the house should pass this particular bill, and later pass the bill for the bank of western Canada, this will lay the foundation for a refusal to establish the bank of British Columbia on the grounds that the needs are now being filled by these other two institutions.

I suggest that the needs of B.C. will not be filled by either the Laurentide bank, which is to have its head office in Vancouver, or the bank of western Canada, which is to have its head office in Winnipeg.

I do not usually find myself fighting on behalf of the present government of B.C. I have grave misgivings about that government, but those misgivings do not go to the extent that has been suggested by some people, that the present government in B.C. in some strange, malign manner would be able to use this bank to interfere with the central government's authority over the monetary system and the total money supply of the country. Only a complete monetary ignoramus could ever suggest such an idea. While I have misgivings about the present government of B.C., I am quite sure the confines of the Bank Act and the scrutiny of the inspector general of banks will keep them in line.

Of course, Mr. Speaker, I have a further interest also, and I may say this just as a matter of historical political interest. Some years ago I succeeded in getting my colleagues in the C.C.F. to agree to insert a plank in our provincial platform which called for an application for a charter for a bank under the Bank Act. Later, I regret to say, my rather timid colleagues decided to take it out. So, I have a rather personal interest in the establishment of this bank. But quite seriously, sir, I am afraid some of the hon. gentlemen in the other place, and perhaps some hon. gentlemen in this place, who have never been able, or willing, or prepared to go very much further west than Yonge street in Toronto, have literally no idea what is happening in western Canada today, and the urgent requirements of that area for adequate financial institutions to finance the sort of expansion that must take place in Canada, in the same way as expansion took place in the union to the south of us.

So I am hoping that perhaps this chamber may decide to wait before making up its mind on this bill until we hear from the other place what is to happen with respect to the third bill which has been introduced in the Senate this session for the incorporation of a bank.

Mr. H. A. Olson (Medicine Hat): We listened with considerable interest to the plea by the mover of this motion that the bill before us be sent to the committee on banking and commerce for further discussion there. At that time, he suggested, it would be appropriate to examine some of the officers of the bank, the petitioners, and deal with the subject in some detail.

But I wonder if it would not be useful to consider having all three of the proposed bank measures referred to the committee at roughly the same time so as to avoid overlapping or repetition in some of the general questioning of officers which would have to take place. I realize that each of the promoters of these banking enterprises has expressed some different purpose. At the same time, if we examine the two bills S-6 and S-13 we will find, I suggest, that they are almost identical except for the names of the petitioners, the names of the banks and the location of the head offices. I expect that when the petition of the bank of British Columbia comes before this house for consideration the bill will be written in terms identical with those of the two measures which are now before us. Because of these striking similarities it seems to me a useful purpose would be served by having all three of these bills considered, possibly not together, but at roughly the same time.

A number of suggestions have been made in this debate that the Laurentide bank will not in fact provide the kind of financial services which are required to assist the tremendous industrial and commercial expansion which is taking place on the west coast. My hon. friend from Nanaimo-Cowichan-The Islands (Mr. Cameron) has suggested that perhaps the purpose of this bank would be to provide the funds necessary to the Laurentide Finance Corporation. He found grounds for this suggestion in the evidence which was placed before the committee of the other place that there would be, at any rate, a close alliance between the bank and the finance corporation should the bank come into existence. The Laurentide Finance Corporation, as all members know, is primarily concerned with the provision of consumer credit. This may be desirable; it may be a service which is demanded by Canadians on the west coast as well as in other parts of Canada. But it certainly seems to me that there is a very real need for a banking institution in the far west of Canada which would

be disposed to provide the kind of financing necessary in the much larger field of industrial and commercial expansion. I think some of the promoters of the proposed bank of British Columbia have stated that they are more concerned about the financing of industrial expansion than they are about providing what might be called retail credit facilities in competition with those offered by existing bank branches. I think the sponsor of this bill would agree that providing these large corporations with the capital they need for expansion is a most desirable move on the part of a bank.

Mr. Basford: I am most happy to agree with that. That is why I am sponsoring the incorporation of a new bank which will provide this sort of service.

Mr. Olson: I am pleased to hear the sponsor of the bill say that. But his words are perhaps slightly at variance with the evidence which was given in the committee on banking and commerce in the other place, where it was suggested there would be a close alliance—there was even the suggestion of a subsidiary arrangement—between the Laurentide Finance Corporation and the Laurentide bank. As I say, I believe the Laurentide Finance Corporation is more concerned with providing credit on a consumer credit basis—perhaps not exclusively—than about lending money to finance industrial expansion.

As members are aware, over the years we have expressed concern over the fact that the chartered banks are able to circumvent to some extent the statutory limit on interest.

Mr. Speaker, may I call it six o'clock?

THE ROYAL ASSENT

A message was delivered by Major C. R. Lamoureux, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act to provide for the extension of credit to farm machinery syndicates.

An act to amend the Crop Insurance Act.

[Mr. Olson.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED UNDER ADJOURNMENT MOTION

Mr. Speaker: It is my duty, pursuant to standing order 39A, to inform the house that the questions to be raised at ten o'clock p.m. this day are as follows: (1) the hon. member for Kootenay West (Mr. Herridge); water resources, speech by U.S. official to Alaska chamber of commerce: (2) the hon. member for Halifax (Mr. Regan); national parks, Nova Scotia, transfer of land for second park: (3) the hon. member for Port Arthur (Mr. Fisher); immigration, Hal Banks, purported publication of departmental documents.

FINANCE

AMENDMENT OF ACTS ADMINISTERED IN INSURANCE DEPARTMENT

The house resumed consideration of the motion of Mr. Gordon for the second reading of Bill No. C-123, to amend certain acts administered in the Department of Insurance.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, it is the ill fortune of the Minister of Finance (Mr. Gordon) that myself and others who are going to speak tonight have to compete with the British election. However, we will just have to hold our souls in patience until it is through and we can find out what it is all about. I understand also that I must be rather careful tonight not to interfere with the minister's sleep. However, I want to warn him that I am going to cast all the pearls in my necklace before I allow him to get off to bed.

There are two purposes in this bill. I think most of us will agree with the general purpose of the bill. One is to inhibit and curb the continued foreign investment in Canadian financial institutions, and the other is to promote as an alternative the investment of Canadian funds in such institutions and in the general national development.

Sir, there are wider implications in this bill than are covered by those two concrete purposes. The bill presents a question to us that goes beyond even the question of foreign

domination, important as that may be. It goes right to the question of just what is our economical and political philosophy in regard to world development. Just what do we think should be the purposes of a national economy, and what should be the purposes of an economic organization? We have also to decide in our own minds what price we are prepared to pay for the purposes that the hon. minister has in mind in this bill.

I think it is true to say that what I am inclined to call the g.n.p. economics has pretty well ruled the rest of the western world for a number of years past. This type of economic philosophy uses only one yardstick for measuring the validity or desirability of any economic policy, that is, the cheapest and most efficient way and place in which you can produce goods and services. It is perhaps carrying that theory of division of labour to its ultimate conclusion, with possibly even a certain amount of dreamy contemplation of one world which does not yet exist. The assumption seems to be, under gross national product economics, that man is primarily a producing and consuming animal rather than a social and political creature.

No one of course follows this thesis completely to its logical absurdity. Always there are reservations, and always there are exceptions. I think it is true to say, however, that this type of economic thinking has been the keynote of our economic thought for quite a long time past—possibly for 50 or 60 years —and any departure from that philosophy has required to be excused as a regrettable, if necessary, heresy.

On the basis of that type of economic thinking, which is all too popular in the world today, there is very little to be said for the minister's bill, because it insists on setting up roadblocks in the way of continuing foreign investment. Perhaps from the point of view of this very narrow school of economic thought one could make out a good case for this type of economic foreign investment in our economy. If we are prepared to eliminate all other considerations, all national considerations and all other social considerations, we have to decide, when we come to judge this bill of the minister's, just how much these other considerations mean to us.

The Fathers of Confederation, about whom we hear so much today, of course flew straight in the face of economic logic and common sense. I never cross the Rocky mountains on the way to my home in British Columbia without being impressed again with the folly and the grandeur of the concept from which this country was born. It was supposed by most of the Fathers of Confederation at that time that they had achieved the impossible when they had successfully defeated logic, geography and economics, and established the nation of Canada. The idea was perhaps in their minds that the job was completely done once and for all, because of course at that time they were living in a premodern capitalistic world. They had no concept of the sort of developments that we were going to see in later years, and the difficulties that they would pose for a country such as Canada, created in the face, as I say, of economic logic and geographic logic.

I think the same question faces us today that faced John A. Macdonald and his colleagues. That question is, is it worth it? They had to ask themselves that question. Was it worth flying in the face of all common sense, logic and geography to establish a nation in the northern half of North America? They decided the answer was yes. Again I think we have to ask ourselves today, is it worth it? Is it worth continuing? Is it worth attempting to preserve a Canadian identity, both economic and political, or would the part of wisdom be to relax comfortably into becoming merely an adjunct to the much larger and wealthier economy to the south of us, which would probably give us a fairly comfortable living but which would inevitably destroy the work done by the Fathers of Confederation?

This is a quite difficult question to answer, a question that Canadians have always been dodging for the last 100 years and have never come up with a continued and consistent answer. But I believe if we turn to the outside world away from North America we may find an answer to this question, because one very significant fact emerges, that virtually the whole of Canadian foreign and external policy is a repudiation of the economics of the gross national product. We are committed throughout the world to the building, to the encouragement, to the establishment of viable national economic units in the emerging countries of the world.

Not long ago I was on the Gaza strip where I saw the representative troops that Canada has had there for the last eight years. One of the purposes of our keeping our troops there and preserving the uneasy peace of the Middle East has been to enable the state of Israel to establish itself as a viable economic unit. The Israelis, of course, did exactly what our Fathers of Confederation did. They thumbed their noses at logic and geography,

at economics and common sense. But there were other values involved and we as a people have recognized those values and consider them worth protecting and promoting.

We should perhaps examine those values in our own case and the very first thing we have to face is that the old adage that you cannot eat your cake and have it is just as valid today as ever it was. We cannot eat the nice, juicy, easy cake of sale of our institutions, our resources, our industries to wealthy foreigners and reap the short term benefits, and at the same time hope to achieve the long term benefits of an independent national identity, as an independent nation with independent thinking, with an independent culture and society. We just have to make our choice in this regard. If we are going to eat our cake quickly now, the Minister of Finance is wasting his time in bringing a bill like this before us and we should throw it out of the window out of hand.

I happen to think that Canada is still worth preserving. I think that Canada and Canadians have a role to play in the world. This year I had a better opportunity than I have ever had in my life before to visit other countries as the guest of the governments of two foreign countries in the Middle East, and I was impressed by the position that Canada and Canadians hold in the minds of these people. I admit that the irreverent thought occurred to me now and again that this high esteem was possibly based on ignorance of us, because one heard very little about Canada in other parts of the world, and it may be that when they know us better their esteem will drop. But one thing we can be quite sure of is that we shall not continue to enjoy that esteem if we decide we are going to take the easy way out and sell off bits of the family homestead, and whoop it up in town with the proceeds without any consideration of the future.

I am far from convinced that the minister's bill is going to achieve the very worth-while purpose he has in mind. I have suggested to him in earlier debates in the house that I thought he would have great difficulty in policing it. I have an idea that the complex ramifications of modern, large scale corporate capitalism are going to make it very difficult to deal with the problem of national independence by the means the minister is proposing. I do not, for instance, anticipate the possibility of seeing a great many company directors behind bars, alluring as the prospect might be. I suspect they will not get behind bars and I rather doubt if they will even suffer the $5,000 fine, but in any event we will give the minister an "A" for effort and cheer him on as a Horatius standing on the bridge. I am quite prepared to stand alongside him but I shall run away if large clubs are thrown at me. However, I will give him an "A" for effort.

I think, for instance, it would be possible to make out a case for the value of foreign investment in productive enterprises, that is, enterprises producing goods in this country, although to my mind the disadvantages would outweigh the advantages. But I do not think there can be any question at all that the continued ownership and control of financial institutions by Canadians is a prerequisite to Canadian independence, and that if we allow these levers of power in a modern economy to fall into other hands, then all power will fall into other hands also. However, I have an idea that the minister will have to go rather further than he is prepared to go now.

I doubt that the doctrine of laissez-faire is going to be able to deal with the world of automation and giant corporations. I suspect that laissez-faire will take its place with a number of other divine revelations that have been discarded in the course of human history, and that the minister will have to take more drastic and positive action than he is prepared to take at the present time.

There is for instance the Canada Development Corporation. Perhaps one should speak in a hushed voice in the presence of the dead when one refers to this corporation but I am hoping it is not completely dead and that the minister may be able to resuscitate it. I would hope that he would find the funds to deal with this problem of foreign ownership in public hands, that he might for instance be able to use the funds contributed to the Canada pension plan. Do we hush our voices here? I am not quite sure, but one thing I am quite sure about is that this would be a source by which a really decisive effort could be made with regard to Canadian investment in Canadian institutions along the line of the developments that have taken place in Sweden, where the funds from their extensive social security program now constitute one, if not the major, source of investment capital in that country. In that connection I would suggest that to my mind it is a daft idea to consider turning over all the proceeds of the pension fund to the provinces. I should like to hope that at some time we would perhaps replace a large part of the business of private insurance by public insurance,

and there again have funds by which we could direct investment in our economy in the directions which seemed to us most desirable.

I was interested this afternoon to hear the voice of the dinosaur from the primeval swamps when the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) told us that this was an invasion of the age old rights of private property. I could almost hear the voice of Charles I saying "hear, hear". He had age old rights, the age old rights of the divine right of kings, and of course he lost his head over them. I do not imagine that the genial member for Digby-Annapolis-Kings is going to lose his head, but I suspect that the minister must be very cheered at hearing this enunciation of the Tory credo, because it made him look like a positive apostle of progress and made us perhaps forget that this very hesitant, gentle, timid step against the whole bastion of modern capitalism is but a slight chipping at one of the outlying bastions of that structure. However, I think we can perhaps be thankful for small mercies. We have to be, with regard to the present government. I should like to conclude by saying that to my mind the Minister of Finance might perhaps be considered one of the small mercies of the Liberal government now in office.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it has now been several weeks since the Minister of Finance (Mr. Gordon) introduced this very lengthy and profound legislation we have before us in the form of Bill No. C-123. He has announced that this legislation is intended to prevent foreign takeovers of Canada's most important financial institutions. In principle this is good. The objective is right. I believe that the motive behind the proposed amendments is good and one to which we can subscribe. What I am concerned about, Mr. Speaker, is whether or not this legislation that we have can in any way be effective in reaching this stated objective. I believe that what we have before us is something that is correct in the direction at which it is aiming, but it is wrong in the means through which it is expected to attain that objective.

What concerns me in relation to the investment provision is that under existing regulations insurance companies are allowed to invest 15 per cent of their money in common stock. What percentage of that which they are allowed to invest is being used? My understanding is that it is less than one third of the 15 per cent that is being utilized at this time. It is my understanding also that the reason for the reluctance of insurance companies to put any substantial percentage of their investment money into common stocks is that the loss in value at any given point is not taken into consideration by the Department of Insurance in the evaluation of the balance sheets of these insurance companies. There was no provision in this statement to change this condition. My question to the minister would be, does he intend to rectify this situation so his proposal of 25 per cent can be effectively utilized by the insurance companies which are allowed 15 per cent now.

In my opinion the basic reason the insurance companies are not now using this permissible 15 per cent in common stock investments is that they are required to show the market value of this common stock on their balance sheets at the time the balance sheets are made up. Should this stock be low in value at that time it would affect their financial situation in so far as their reserves are concerned in relation to the requirements for their outstanding policies. This is the reason I have grave concern about what the minister has stated as being the objective of this legislation being reached. If the insurance companies have too much money in common stock, it could result in a serious situation. This cannot be said of mortgages or of government bonds or even the bonds of large corporations. If it is essential, perhaps there is some other way of encouraging insurance companies to invest their money in common stocks, which are really the basic type of investment, the most valuable type, so far as the general economy is concerned.

I have watched carefully the financial pages of our press, and I find that this doubt is generally held by many of those who are considered experts in this field. I quote particularly from one of the lead editorials in the *Globe and Mail* for September 25:

> This appears to be again the case with the new policies he has announced—

The reference is to the Minister of Finance.

> —concerning ownership and operation of the country's financial institutions. It may be months before the lawyers and accountants have worked out in detail exactly what the legislation means. But it would appear from a first look that Mr. Gordon is seeking a reasonable end by unreasonable means.

Then, going on in this editorial I read:

> The damage he may do to foreign investment is not likely to be offset by the gesture he is making toward the encouragement of Canadian investment. He is probably right to permit insurance companies and other financial institutions to invest up to 25

per cent, instead of up to 15 per cent, of their assets in common shares. The insurance industry has asked for this discretion and the banking commission recommended it, but the practical results remain to be measured.

With freedom to invest up to 15 per cent of their assets in common shares, insurance and other companies have in fact invested only 4 per cent. They have argued that the technical regulations have discouraged such investment, and Mr. Gordon is now easing the regulations. It is possible that this will release substantial sums for investment in industry, but no one would want to see the insurance and trust companies forget that their first rule must be safety and security.

Mr. Gordon is also following the recommendation of the banking commission in raising from 66⅔ per cent to 75 per cent of value, the money that can be lent on a first mortgage. He is a little behind the times, however, as many companies are already lending 83⅓ per cent of value on a blend of first and second mortgages at reasonable interest rates.

I believe that this editorial, Mr. Speaker, is typical of the fears in financial circles. I believe the minister must clarify some of these points as we go along in this debate. The minister has said this legislation will release millions of dollars of insurance money for private enterprise, when really he is not making this possible. I have found myself wondering, as I have studied the legislation, if perhaps the minister is not making way for the Canada pension plan which will be a means of channelling off the cream of all the private savings in this country into a huge fund which will be available as social capital to the provincial governments of the country. The fact that this type of saving is going to be channelled off into what can be classified as social capital is certainly something that is going to produce problems. Perhaps the minister believes they can be corrected by this legislation.

Our basic concern with the measure, Mr. Speaker, is simply that, while we agree with the objective, we cannot see how that objective will be reached through the application of the amendments contained in this bill. We will await with much interest further remarks from the minister. We look forward also to the detailed study of this legislation. Obviously, it is going to take considerable time because of the vital importance of it. By way of summary, Mr. Speaker, I might say that the objective is good, but the means by which this objective is going to be reached are things about which we have grave doubts, if we are going to preserve the availability of private capital and the ownership of our Canadian enterprises so that we will be able to go forward not only to make these enterprises Canadian to a larger extent but to provide the necessary capital which we need for the development of our industry, the development of our resources and the general economy.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I made my initial remarks, on the proposal that is before us this evening, on the night of September 23 when the minister introduced the bill after his statement on motions. At that time I made certain observations on the purposes of this bill, and I think subsequently it has been pretty well clarified that its purposes were as I had indicated. However, on that occasion I had to make certain reservations until such time as I had an opportunity of reading the bill. I must say, Mr. Speaker, that I think my guardian angel must have been with me on that occasion because, having read the bill, all 54 pages of it, I now find it is full of prickly burrs and contains one or more fish hooks.

I was especially amused by the remarks of the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), who made quite a play about the stand taken by my hon. friend from Digby-Annapolis-Kings. In so far as the hon. member for Nanaimo-Cowichan-The Islands was concerned, he seemed to think this bill was a mere nibbling away or cautious approach to a problem. All I can say is that if one followed the train of thought in his speech, assuming there was any thought in it, one would conclude that the N.D.P. would go much further, but how far we do not know.

The hon. member was most coy. He hinted at a great nationalistic approach, at a sort of massive take-over of foreign interests in Canadian corporations. He did not limit his view to the bills being amended but dealt with the whole ambit of foreign ownership. He asked, where was the Canadian development fund, and this was the first time I heard that fund was to be used for this purpose. I understand it is to be used for the infusion of funds, accumulated in Canada by the government, into the development of industry, and not for the purposes of patriation of foreign interests.

Then he asked, where was the great fund that was to be accumulated under the Canada pension plan, and said the government might have used that fund in order to return to Canada a greater degree of ownership in our industry and business. Of course we know that the funds which will be accumulated under the Canada pension plan have already been given away to the provinces, and it is clear there was never any thought that they should be made available for this purpose. The hon. member did not tell us where and how far his party would go in this regard,

and I say quite frankly to him he was either afraid to do so or did not know where it would go.

I must confess that the detailed provisions of this bill are very complicated, and I am pleased the minister has agreed that it be sent to the banking and commerce committee. I am pleased that he is not repeating the mistake made by his colleague, the Minister of Agriculture (Mr. Hays), who had to fight on the floor of the house to get a bad bill passed, a bill which would have taken half the time in committee of the whole had it been sent first to the committee on agriculture, the members of which could have gotten a great deal more information which ultimately would have resulted in a better bill. Therefore to that extent the minister acted very wisely. Perhaps it was a question of live and learn.

Mr. Gordon: Live and let live.

Mr. Lambert: No, I think it was a question of live and learn. In any event, there are provisions in this bill dealing with the retention of ownership in Canada and the control of Canadian life insurance companies not now under foreign control.

I must reiterate what was said by my colleague, the hon. member for Digby-Annapolis-Kings (Mr. Nowlan), that there seems to be some sort of fixation on the matter of control of the companies covered by the four bills that are being amended by Bill No. C-123. I believe the minister really means he wants to establish a greater degree of Canadianism in the ownership of these firms because the question of control, as pointed out by the hon. member for Digby-Annapolis-Kings, really lies with the superintendent of insurance and the governor in council.

This area of financial activity, and that of the chartered banks, are among the most carefully scrutinized and overseen. There is not any manufacturing or retail concern which has, in a manner of speaking, some government official sitting alongside the president's desk, as one might literally say is the case with life insurance companies and foreign insurance companies, where there are regulations governing the nature of their investments and the trust funds they must have on deposit with the government. My colleague put these matters on record this afternoon and they will be found in today's *Hansard*. Therefore I say this question of ownership and control is confused in the government's thinking, and it is trying to convince the public that by introducing these provisions it will establish greater control over these companies.

The minister is trying to do something with one hand which he is undoing with the other, and I cite one point, in that right at the very beginning of the bill there is a provision which reduces the financial qualifications for directorship. Under the law as it stands, in order to be elected a director of a life insurance company a shareholder must have in his name shares in the amount of at least $2,500, or on which at least $500 has been paid as capital, or credited as capital, if such calls have been made on those $2,500 shares; but under the provisions of this bill this amount is reduced to $250, which it is stipulated shall be paid in cash. In other words there is a reduction of the application for shares to one tenth, or of the actual posting of cash to 15 per cent. This means nothing so far as ownership and control are concerned.

I shall have something to say later about the question of who is a resident of Canada, but under this proposal a foreign national resident in Canada, having $250 worth of common stock in a life insurance company, is fully qualified to be elected a director. The control lies in a whole body of directors and you could have a whole series of foreign nationals resident in Canada, as executive officers of a life insurance company, but whose investment is a mere $250. That is a pittance, and one can give them the whole beneficial interest. They do not have to hold these shares in trust.

What is $250 today? And therein would lie the day to day control of the board of directors, the control of that company; because in a public company such as many of our life insurance companies are, it only requires effectively a small group owning a relatively inconsiderable proportion of the share capital to really control it, because the individual shareholders do not turn up; they sign proxies in favour of management. As long as things go reasonably well you can control one of these companies with 20 per cent of the shareholdings. It is a continuation, so control lies not in Canadian hands but in foreign hands. But we are asked to say they shall be residents.

Again I make the point I made last year at the time of the minister's budget and again this year, on this question of Canadianization. The fact that persons are ordinarily resident in Canada, if this is to be the yardstick of Canadian control, I say to the minister is meaningless. I would prefer, as I indicated this afternoon, the provision in one of the private bills for the incorporation of a

new chartered bank which lays down that these people shall be British subjects ordinarily resident in Canada. If the minister is talking about Canadian control, let him say "Canadian citizens ordinarily resident in Canada" not just "residents".

Let us come to the other point of residence. The bill speaks of a non-resident being an individual who is not ordinarily resident in Canada. The emphasis is on the negative all the time; you are something because you are not something else. But what do they mean by "a person ordinarily resident in Canada"? For the income tax law it is that your ordinary day to day residence is in Canada for at least 180 days. Does this mean that for the purpose of this act one shall be deemed a resident of Canada if there is a stay here of 180 days in one calendar year or one fiscal year? There is nothing in the bill to indicate this. Again, I say to the minister that he is only going half way. I am not necessarily accepting the principle of what he is trying to do, but in the attempt to do what I think he has in mind I do not believe he is going about it in the right way.

I know the minister's preoccupation with some sort of Canadianization of our corporations. I will not repeat the remarks made by my hon. friend from Digby-Annapolis-Kings (Mr. Nowlan) as to the complexities of the 10 per cent in the hands of one individual and the acquisition of anything over and above that which cannot be voted. This will have to be studied in committee. All I can say is that this is going to be almost a Frankenstein to administer. I may be wrong, but I have a feeling that a great administrative monster is being created. I do not know what sort of burden this will place on the backs of the registry and transfer agents who keep the day to day records of the ownership of the shares of any of the companies which may be affected by this legislation, but I am certain they will have a very difficult job, and of course it will mean an increase in the administrative costs of overhead of all these companies. The numbers indicated by the minister this afternoon do not indicate too many companies in a numerical sense. I do not know, but I suppose there may be a couple of hundred at the most. We hope there will be others. After all, the bill provides for investment in subsidiaries and the creation of subsidiaries, controlling interests by life insurance companies, trust companies, loan companies, etc. as well as participation by other life insurance companies in the acquisition of certain assets. All this represents

shareholders, and one must keep a careful watch upon who owns what to see they do not get over the indicated percentages.

However, there was another point to be considered, and this is one which I think we shall have to go into in committee in much greater detail. This was that the burden of any infraction—and it is a knowing infraction by a director—of the registration of shares in excess of the amounts permitted in the amendments to the acts will be the responsibility of the directors, who may face a prison term or a fine or both. But this says nothing about any penalty which may be imposed upon the transaction leading to the acquisition of these shares. It does say the transaction shall not be void in so far as the shares as concerned. True, I think there is a disability in not being able to vote them when the percentage is in excess of the 10 per cent or the 25 per cent as the case may be. But I am wondering, and I hope the minister can give me an answer in this regard, why it was not indicated in the legislation that a transaction entered into knowingly with a view to acquiring in excess of the amount prescribed should be void, in other words, not even the beneficial interest in the shares could be acquired; or perhaps not void—that might be going too far—it might be voided, and that a share transfer which was in breach of the amendment would be validated if it had been carried out bona fide and for consideration by a person who was not knowingly endeavouring to acquire shares in excess of those permitted.

There is one other aspect of this legislation I should like to speak about and that deals, I believe, with the trust companies and the life insurance companies. I refer to the delegation by parliament to the governor in council of the right to change the name of a company into a French or English form as the case may be, by way of order in council, without their having to come to the house and to the Senate in order to get the change of name. We have seen a goodly number of bills in this regard and I must say I express some sympathy personnally with a company which faces this problem.

Unfortunately there have been some instances where a bill that has come to both the Senate and the House of Commons to give a French version of an English name has been seized upon as a weapon to stall, and to get into matters which have no relevance but which occupy the time of this house tremendously. I think, subject to further consideration, this provision may balance

itself out. I do not know which is the greater convenience. Certainly I would think it would be cheaper for the company to do it by application to the governor in council, as will be provided for under the regulations that will be passed in this regard, than to do it through petition and private bill.

I would also like to receive some clarification from the minister as to who is to determine the degree of residence and who is to determine whether there has been indirect control by a trust, as mentioned in clause 16 with regard to section 4 (b). This is of great interest to us. Is it the superintendent of insurance who is to determine whether there is such indirect control under the trust? The bill is silent in this regard; nowhere have I been able to see this. Perhaps the minister would make a note of this point and give the house the information, because I think it is very important to know what person or persons are to be the judge of matters of this kind. Where lies the discretion of the interpretation; and is there appeal from it? What recourse would a corporation have with regard to an adverse decision as to the residency of one of its shareholders, or as to whether there was a breach of the rules through indirect trust? This is all I am going to say at this time in regard to the ownership or the retention of control, so-called, of Canadian life insurance companies not under foreign control.

I would like to turn now to the consideration of the changes in the class of assets that may be vested in trust in Canada by British insurance companies and foreign insurance companies, so that they are both put on the same basis. There is an extension provided for in regard to bonds issued by fabriques of parishes in Quebec. I may be a little hazy in this connection, but does this mean the incorporation of a religious parish in the province of Quebec; and is there any difference between that and a properly constituted parish in one of the common law provinces, because they all issue bonds to cover indebtedness for capital purposes. I know there are fabriques in other provinces because during my experience with one of the chartered banks I was certainly aware of bank accounts being maintained by the fabriques of French speaking parishes outside the province of Quebec. Why, therefore, is the provision limited to fabriques of parishes in Quebec? Why not in New Brunswick; why not in some of the other provinces? Perhaps the minister will answer this question when he is replying later.

There is also going to be an extension of investments in leases and leaseholds. In the committee we will be able to go into some of the legal implications of what you can do in the hypothecation of leaseholds in those provinces with the Torrens system, where they do not provide for the separate registration of titles to leaseholds. This is a narrow legal point. There cannot be a separation of the freehold from the leasehold, at least as the legislation now provides. If my memory serves me correctly—and I hope I have not been away from the law of the province of Alberta too long—this would be the case in that province. True enough, one can hypothecate a lease through filing a caveat, but it is a complicated process and it is not as neat as would be the case if the leasehold were registerable as a separate title. I will not go into that matter further, but we can deal with it in committee.

The one instance where I think the minister has taken a step in the right direction, though, is that he has opened up the provisions concerning investment in the preferred shares of companies which have the proper dividend or earnings record. The old provision which required a company to have had earnings of a minimum rate of, I believe, 4 per cent and to have had declared dividends for a period of five or more years was, I think, self-defeating because this category of companies was forced to divest itself of its earned surpluses through dividends so that it could sell its preferred shares to a firm that was investing in it. It was being prohibited from accumulating capital for its own expansion by the requirements of the act, which forced it to declare and pay dividends so that life insurance companies could invest in its preferred shares or in other types of obligations. I think that was wrong and I am glad to see the minister has taken this step. I am hopeful that this amendment will see an improvement in this particular type of investment.

One concern that I hinted at when the minister made his first statement was that now trust, loan companies and life insurance companies would be able to invest in real estate companies. It is all right if you have these companies able to control a realty holding company which is concerned with the real property or the premises—the bank premises, or whatever you want to call them —or in any event, the premises of the life insurance company, and actually administering those properties. True enough, we know that the life insurance companies have rather

large office buildings; they only require part of them, and the rest is an investment in order to lower the cost of their own premises. I think this is perfectly all right. But what concerns me is the possibility that by owning and controlling real estate companies, life insurance companies and trust companies will be able to get into the really promotional field in real estate development. If there is anything that is creating an inflationary pressure in Canada and in the United States, it is this particular process of real estate promotion whereby an individual can get into a proposition with only his shirt, obtaining mortgage upon mortgage and deal upon deal at very high costs.

Perhaps we should look at some of the real estate promotion deals which have been very speculative and have turned sour. I am not going to mention any names, but we are all aware of a very large operator in Canada who had to liquidate rather quickly, and at great loss, some of his more grandiose real estate development schemes because of this increase in pressure and need for money.

A great deal of pressure would be put on trust and life insurance companies, to the detriment of the policyholders of those companies, as a result of some form of financial recession, and a great many of these real estate schemes would then begin to go sour. This is an area of our economy which must be watched very carefully. I am hopeful that during the committee hearing stage we will have the benefit of full and frank explanation by appropriate officials, including the superintendent of insurance and others who may be able to advise the members of the house in this regard.

I am pleased to note that there is an increase in the ceiling on mortgages to 75 per cent of the appraised value of properties. I think such an increase has been due for some time. This certainly will do away with that sort of fringe or second mortgage business by which the purchaser of an older home, who is not able to purchase it under the Central Mortgage and Housing Corporation provisions, must borrow $5,000 or $6,000 in order to obtain $3,000. This second mortgage field at this time is rather nauseous and, in my opinion, requires a great deal more control by parliament at an early date.

Mr. Speaker, I could say a good deal more in this regard, but in conclusion I should like to make reference to the news we received today about a loan company owned by foreign interests which has made what is considered to be the first move to link up with a mutual fund distributor—a mutual fund distributor being a Canadian company. Perhaps at the present time this type of operation is being undertaken in order to wiggle past the provisions of this amendment. In any event I think we should have a great deal more in the way of explanation before we can really give our approval to this measure. I might suggest to the minister that we should have a clear indication of other proposed amendments, because I am a little worried about the procedural problem with which we will be faced if we do step outside the principles of the bill as enunciated.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I should like to make a few remarks, and because of the pressure of time I will be as brief as possible. One of the remarks made by my colleague who has just resumed his seat, concerning the increase of the mortgage loan percentage to 75 per cent, represents one aspect of this measure with which I cannot agree. I shall deal further with that subject in a moment.

This bill leaves us wondering just what the Liberal party policy is on foreign investment. We have heard very diverse views expressed. The minister on previous occasions at any rate, and to some extent in respect of this measure, has attempted to choke off foreign investment as fast as possible by increasing taxes, or attempting to do so, and by imposing restrictions.

The Prime Minister (Mr. Pearson) and other members of the Liberal party have advocated a free exchange with the United States, particularly in respect of the passage of funds. The pre-election promises of 1962 and 1963 were that anti-Americanism, as it then was defined, would come to an end. We wonder exactly what the Liberal policy is.

The bill we have before us represents a compromise, at least within the Liberal party, of the two extreme views. I can recall the anguished cries that were raised when the former Conservative government brought in the comparatively innocuous bill on corporation and labour union returns. That was not a restrictive bill but a bill which became law, intending to give the government more information in respect of foreign corporations carrying on business in Canada. The hon. member for Hull (Mr. Caron) on April 2, 1962, as reported at page 2402 of *Hansard* said this:

> We need foreign capital. In order that we can develop a country as big as Canada, we need that foreign capital. If we need it, we should not discourage it before we start.

This remark was made in respect of a rather innocuous part of the bill, but it does make us wonder how quickly an attitude can change, depending upon the position one is in.

In support of my view that this bill is somewhat watered down and has only a moderate effect, I point to the reaction it received in the United States. Judging from the small amount of editorial comment we have noted, the bill itself is not very effective. I should like to quote from the Toronto *Daily Star* of September 23, 1964, and particularly a report from Washington by Martin Goodman, *Star* staff writer, as follows:

> U.S. officials accepted almost casually today Canada's latest effort at economic self-determination.
>
> "We had anticipated most of this," one official said of finance minister Walter Gordon's new rules limiting foreign ownership of insurance, trust and loan companies to 25 per cent, and expanding the investment power of insurance companies in common stocks.
>
> "Naturally we oppose any discrimination against foreign investors," he continued, "but in practice, I don't think this will have much effect on U.S. interests."

With these general remarks I pass on to two or three particular matters on which I should like to comment. As has been stated, the bill really is in two sections. The purpose of the first is to reduce the possibility of further invasion by foreign interests of our life insurance companies, foreign insurance companies carrying on business in Canada, trust companies and loan companies, resulting in the taking over of such companies by outside interests. I think this is quite a desirable objective. The main objection that has been raised is that administratively this will be very difficult to control and time only will tell whether it is effective.

The life companies and other companies are given the power to require declarations and other evidence, but it seems to me it will be almost impossible for these companies to find out in many instances who are the real shareholders. Quite recently in the committee on banking and commerce we were discussing amendments to the Corporations and Labour Unions Returns Act which is administered by the dominion bureau of statistics under the Minister of Trade and Commerce (Mr. Sharp). At that time it was stated with reference to similar situations that it was almost impossible to do this and that most of the companies would not make the effort to discover who the real owners of the stock were, to ascertain whether the company was foreign or Canadian controlled. In that regard the obligations of the company under this bill are quite limited.

The right to have an English or French name is commendable, although I think there may be some technical difficulties. Perhaps the wording is not strong enough because it does not make a change in the name of the company but only permits the company to use another name. As far as I am concerned as a member of the banking and commerce committee and the private bills committee, some relief from having so many bills come before us involving nothing more than a change of name will be welcome. I think it will result in many members being able to get on with other work because the only argument that ever arose in those committees was as to the semantics of how the French or English language should be used in translating the original name of the company. I should think that someone outside of parliament who is versed in the language could do just as good a job.

The last subject I want to mention relates to the investment powers of life insurance companies, trust and loan companies under the bill, and there are two aspects involved. The first is real estate. As I stated at the beginning, I believe that 75 per cent of the appraised value of real estate is too high a figure for the mortgage investment of funds belonging to other people, notwithstanding the recommendation of the royal commission on banking and finance.

Not very many years ago companies would not accept anything more than 40 per cent of the appraised value as a trust loan, and in some cases some companies will not do so yet. Fifty per cent is marginal. The percentage was previously raised to 60 per cent and then 66 per cent, which I thought was stretching it quite a bit. I think that raising it now to 75 per cent takes the security of a first mortgage beyond what is prudent and into the realm of a risk investment.

The royal commission itself was not too enthusiastic in this regard. They did come up with a figure of 75 per cent, but on page 287 of their report they mention that there are two kinds of companies lending mortgage money, one comprising the caisses populaires, credit unions and finance companies. In regard to these they had this to say by way of horrible example:

> Some of these, as we have mentioned, are now making first mortgages up to 80 per cent or more of property values for fairly extended terms.

They thought this was pretty high. On the next page they went on to state:

On the other hand, there is a case for restricting the banking institutions and life companies, which accept funds generally from the public, as well as the pension funds which accumulate the savings of members who frequently have no choice about their contributions.

Contrary to the view expressed by my colleague, the hon. member for Edmonton West (Mr. Lambert), I think that 75 per cent is too high, and I hope the committee will give further serious thought to this matter.

There is another reason for this objection, namely that the public generally accept these limits as being safe limits. Having in mind the fact that real estate values are excessively inflated, I do not think that 75 per cent on real estate constitutes a safe trust investment for other people's money. As a maximum figure it is in my opinion a bad example. People generally tend to accept what parliament lays down, and I am afraid that such a high figure will result in inflation.

The minister said that the raising of the first mortgage limit to 75 per cent might do away with the necessity of second mortgages. I cannot see how this logically follows. At the present time the limit is 66⅔ per cent of appraised value, and generally speaking people are taking second mortgages amounting to another 15 per cent. This raises the total to 81 or 82 per cent; so taking a first mortgage of 75 per cent will not eliminate second mortgages under present standards. Furthermore it will make first mortgages a much more shaky investment and I believe the objective will not be achieved.

The other question about which I am concerned has to do with common stock. The bill raises from 15 per cent to 25 per cent the permissible amount of common stock that a company may hold. Most companies believe that 15 per cent, the limit now, is much too high. At the present time life insurance companies hold at book value only 2 to 3 per cent of their total assets in common stock. At market value this might run to 5 or 6 per cent, but this is just about the average.

If you are going to raise the limit from 15 to 25 per cent, all that will happen is that those companies which do invest in a large amount of common stock will be encouraged to take more, but those which are prudent investors will not increase the amount they now have. Both with respect to real estate and common stock we can only hope that the insurance, trust and loan companies will not take advantage of the maximums that are set, and if this is what we hope then surely the legislation is not very good. This is certainly something that requires serious thought. Furthermore, there is no incentive for these companies to take the extra risk involved in a higher percentage with respect to mortgage money in a higher amount of common stock.

[Mr. Aiken.]

With these few remarks I should like to summarize my conclusions with regard to the bill. First, it does represent a moderate approach to the problem of foreign investment and the intention is good. I believe it is a much better approach than has previously been used. I believe that the administration will be so difficult it will not be effective. This is what I fear. If it is not effective, then it is not good legislation.

The present bill might be a logical second step to the program started by the previous government, which started in a rather general way with the Corporations and Labour Unions Returns Act. This could have been a very logical second step. I say too that a relaxation of the rules governing investment of other people's money to the very limit of good practice is not justified by the possible benefits. The royal commission suggested that this particular item, the increasing of mortgage loans to 75 per cent, be used in concert with three or four other measures. It was suggested they could bring about certain results. We are only introducing one of these without the others. This legislation by itself will not achieve what the royal commission expected.

Finally, Mr. Speaker, I will not oppose the bill, because it is going to committee. The minister has stated he is going to propose some amendments and I think that not only the amendments he proposes, but others, might be brought before the committee to reduce these limits, which I think are too high in respect of both mortgages and common stock in relation to investment by public companies. They are handling other people's money.

Mr. Deputy Speaker: If the minister speaks now he will close the debate.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, before I comment on some of the interesting speeches that have been made, might I ask the permission of the house to apologize for a remark I made earlier today? I said I thought the Renault and Peugeot works were going to be established in Terrebonne, although I was not quite sure about it. I have since made inquiries and I find they are to be established at Point aux Trembles in Mercier. I apologize to the two hon. members who might have been embarrassed by my earlier remarks.

The hon. member for Digby-Annapolis-Kings (Mr. Nowlan) in his remarks referred particularly to the ownership clauses of this bill. As I interpreted what he said, I gathered that he had no real objection to the limitation of 10 per cent against the holdings of any one non-resident, but he thought that the total holdings of 25 per cent for all non-residents was overly restrictive. I recalled, as he was speaking that he was a member of a government which, in 1957, enacted legislation which enabled Canadian life insurance companies to become mutual companies and in this way to avoid any of their shares being acquired by non-residents. As I said in my statement earlier, this undoubtedly prevented some of the larger Canadian insurance companies from falling into the hands of non-residents. To that extent I, for one, commend the legislation. I must say I did not think at the time, and I do not think now, it went quite far enough. However, I hope this particular bill will fill the gap.

The hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron), in his usual witty and cogent remarks, said that he agreed with the bill in principle but that he was afraid it would be difficult to police. Several other speakers also referred to their fears that this bill would create administrative difficulties. I think the hon. member for Edmonton West (Mr. Lambert) referred to it as a Frankenstein to administer and that it would become a great administrative monster. Well, Mr. Speaker, the bill has now been open to public gaze for some weeks, and while I respect the fears of the hon. members who have spoken on this subject I am also interested in the fact that the companies themselves, who will have to do the administering, have not seen fit to suggest, to me, that they see any particular difficulties involved in the administration of these particular provisions. On other occasions I have noticed that when the officials of companies are fearful they will be involved in administrative difficulties they have not been hesitant in coming forward and letting me know about it. The absence of these representations in this case, therefore, rather cheers me. I have a feeling it is going to work very well and very easily.

The hon. member for Nanaimo-Cowichan-The Islands stated, and I thought there was a rather plaintive note in his voice as he expressed the view, that he did not think there would be many corporation directors who would find themselves behind bars as a result of this legislation. I hope that his fears turn out to be justified. I would not like to think of our jails being filled with company directors or anyone else. In this particular case I will expect, as I am sure all hon. members of the house will expect, that if this bill is passed by parliament company directors and everybody else will obey the law. They will see that the wishes of parliament are carried out and, incidentally in the process of so doing avoid any possibility that any of them might incur the fate to which the hon. member referred.

As I remember, he also mentioned the Canada Development Corporation and, if I am quoting him correctly, added that one should speak in hushed tones in the presence of the dead. I should like to reassure him on this point by stating that this particular body is not dead and I hope it will be produced in lively form, and that he will be one of the first to support the measure when it comes before this house.

Mr. Herridge: Has it been hibernating over the winter?

Mr. Gordon: My hon. friend and neighbour in the Roxborough apartments has asked whether this project is hibernating. I think it is fair to say that the weather has been a little inclement for it in recent months. I do not know if I am overly optimistic, but I think the weather is getting better and we may see more of it in the not too distant future. It seemed to me there was a somewhat different tone to the remarks the hon. member for Edmonton West (Mr. Lambert) used to commend this legislation, when it was presented to the house and discussed on September 22, from the tone he used tonight. I have not looked up *Hansard* within the last day or so, but it seems to me that on that occasion he was quite enthusiastic about this legislation.

Mr. Lambert: Certain aspects of it.

Mr. Gordon: I remarked upon it particularly because he is not always known for the enthusiasm with which he greets legislation presented by this government, and on that occasion it seemed there was a rather happy change in his tone and viewpoint. I am only disappointed that on reflection, or perhaps after discussions with some of his friends—

Mr. Lambert: No, on looking at the bill.

Mr. Gordon: We are only talking about the principle of the bill at the moment, and the hon. member seems to have somewhat modified his earlier enthusiasm. I liked the hon.

member for Edmonton West on September 22 more than I liked him this evening. Naturally I am not talking in a personal sense, but he did raise some questions that deserve to be answered. However, Mr. Speaker, I would not like to offend Your Honour, or the house, by dealing with detailed questions which I am sure you would rule could be better discussed in committee. So, if my hon. friend will forgive me, I shall try to stick to the principle of the bill this evening, but I assure him that the points he raised will be carefully considered and will be answered fully when the bill reaches committee stage. As an example, he referred to the question of fabriques, the qualifications they would have, and whether they would come under this bill. This is the kind of technical question that could be better handled in committee.

One other point of principle was touched on by the hon. member for Parry Sound-Muskoka (Mr. Aiken). He questioned the desirability or the wisdom of permitting insurance companies, trust and loan companies to lend up to 75 per cent of the value of real estate on mortgages. I would remind him that this was a recommendation of the royal commission on banking and finance.

Mr. Aiken: Are royal commissions always 100 per cent correct?

Mr. Gordon: Some have a better batting average than others, and I can think of one whose batting average is going up.

Mr. Knowles: Would that be the Hall commission?

Mr. Gordon: My hon. friend from Winnipeg North Centre seems to be going a little astray from the principle of this bill in that comment, although I sympathize with his interest in the subject to which he refers.

On this question of whether it is wise to allow these lending institutions to lend money up to 75 per cent of the value of real estate, or whether the limit should be retained at 66⅔ per cent, I think this is a matter of judgment and opinion. I must say I was impressed by the views of the royal commission on this point, and after careful consideration and full discussion with my colleagues in the government we felt this was the kind of recommendation that we were prepared to recommend and implement.

I think those are the main points of principle that were raised, and I assure hon. members they will have ample opportunity of discussing the clauses of the bill in committee. As I said earlier, I would move that it be referred to the standing committee on banking and commerce.

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SUPPLY

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

DEPARTMENT OF TRADE AND COMMERCE

1. Departmental administration including fees for membership in the international organizations listed in the details of the estimates, $5,180,500.

Mr. More: Mr. Chairman, it is not my intention to hold up the passage of these estimates but I would like to bring one or two matters to the minister's attention.

I have no fault to find with the general statement he made, which contained some interesting things that I was glad he mentioned. I remember the great cries of Liberal party spokesmen that Conservative policies were ruining our economy, yet in the minister's statement he referred to 44 straight months of advance, and a partisan Conservative like myself was glad to hear him make that statement and to see it in print.

There is a most interesting article in tonight's Ottawa *Citizen,* headlined "Wheat Sale" and written by Garth Hopkins, associate editor of the *Financial Times of Canada.* This rather concise article points out the impact on the economy of at least the prairie provinces, and in retrospect upon Canada as a whole, of the benefits received from the sale of wheat and flour under the deal that was announced with Russia last September. It points out that this sale meant direct increases of $205.8 million in the income of farmers in prairie provinces in the first six months of this year, as compared with the amount they received in the first half of 1963.

Indirectly this sale meant much more than that because it provided extra work for the railroads, for ports and shipping, and all other industry which dealt with the moving and delivering of the grain to the export market. I note that the article points out that the increase during the first half of this year for Alberta was $46,703,000; for Saskatchewan $155,305,000 and for Manitoba $3,784,000. I think the minister would be the first to admit that this has had a terrific impact on the economy of the country.

Certainly no politician was responsible for the bounteous rains, good climate and growing

season which produced the grain, but I have a memory of the minister jumping into his first puddle, when he went west and said the advice of the former minister of agriculture was irresponsible when that former minister told farmers to grow all the wheat they could. Far from being irresponsible I think it was far-sighted advice, and I am sure the minister was happy the wheat was on hand when the sale fell into his lap here in Ottawa. I hope more sales fall into his lap, or if he gets them himself I will give him credit for them. We are all delighted that the economy received this great boost during the first half of the year.

I should like, now, to refer to another industry in the province of Saskatchewan which will be of great benefit to the economy of the province and to the economy of Canada as a whole, that is the growing potash industry which has been established there. There are now two plants operating in Saskatchewan. There is one at Esterhazy which is a shaft mining venture. It is so successful that I understand it is to be extended and another shaft sunk. Then we have the new plant of Kalium Chemicals Limited at Belle Plaine 30 miles west of Regina. In deference to my hon. friend from Moose Jaw-Lake Centre I should like to say it is only 15 miles from Moose Jaw, but then they have to establish themselves in Regina to get the services they need for an industry this size. It was my good fortune to be present at the official opening on September 30. I was pleased to see the hon. member for St. Paul's in attendance there, also; I know this development is of great interest to him. This development uses a different method of procuring this mineral from those which have been used in the past. The potash deposits in this area lie some 5,000 feet below the surface. The depth is so great that I understand shaft mining is not economic, so this new process has been developed. It has been tried in various countries of the world over the last 50 years without success. Kalium Chemicals Limited some nine years ago began a strenuous effort to develop this successfully. Some seven years of hard research went into it and some two and a half years of operating a pilot plant, and today we have this $50 million plant operating successfully. On the opening day, the official opening day on September 30, 7,000 tons of this mineral were shipped in two trainloads to some areas in Canada, and throughout the United States. It was pleasant to see the cars going out on trains, one on the Canadian National and one on the Canadian Pacific—we must be fair to both our rail complexes—for many states of the union south of us. It is also interesting to note that large amounts of this potash will be shipped to Europe and to all parts of the world where the need for it is very great.

In his remarks, the premier of Saskatchewan on the official opening day intimated that the returns to the provincial government from this venture in a year's operation would be nearly $400,000 and that the two ventures operating in the province in this current year would have net returns of $30 million. I was interested in a note I took out of the *Globe and Mail*, I think it was, of September 30 to see that prospective further developments will mean some 1,500 new jobs in the Saskatoon area where the proposed new developments are taking place. This one plant of Kalium Chemicals Limited in its own operation provides 235 new jobs and it is considered that the over-all figure, including those who serve the plant and deliver the product, will amount to some 500 new jobs. This indicates the great impact this industry has on the economy.

The reserves of potash in this region are tremendous and I am told they are sufficient to supply world demand for 8,000 years. These are proven bodies. One well known figure in this area of development told me that for all they knew at the moment it could be they had sufficient for 88,000 years. I think this indicates that the minister should take a concrete interest in this development. The government should take a great interest in it and certainly the people and the government of my province and, I believe, the people of Canada as a whole, welcome it. I am told on good authority that there is a prospect of ten more major potash operations in the near future in Saskatchewan and that many of them will be of the solution type.

The reason I am talking about this tonight is that involved in whether these can go ahead in the immediate future or not is the question of federal taxation policy. On September 21 my colleague from Kerrobert, Kindersley directed a question to the Minister of Finance with regard to the tax on solution mining operations. As is well known, the shaft mining operation qualifies for tax concessions over a three year period. The solution mining operation has none. Yet I am told the capital investment for this alternative method of mining is the equal of the shaft. I know there are some problems connected with a formula which will permit the removal of

this discrimination but I am sorry to say that there appears to be not too great a sense of urgency in the thinking of the minister or the government in regard to finding the new formula which is needed. My colleague asked a question on September 21. He was told this was a matter of policy to be announced in due course. This was the answer after notice of the question had been taken by the parliamentary secretary to the Minister of Finance. The answer was given on September 30, some nine days later, and that is all the information he got. On October 1, I believe it was, I directed a question to the Minister of Finance on this matter. I thought I was on good ground in quoting a statement which I alleged was made by the premier of Saskatchewan that the minister's policies in this connection were stupid and shortsighted.

I have never got involved in personalities in making my arguments and it certainly was not my intention to get involved in any personalities when I asked this question, because a press conference was held in connection with the official opening of Kalium. I did not hear the statement but two people—and I checked carefully about it—told me that these were the words the premier of Saskatchewan had used. I thought it was a forthright statement of criticism. I did not see anything personal about it because the policies which the minister presents in this house are, as I understand them, the policies of the government and it was the policy the remarks were directed to. Certainly there is no difference between the premier of Saskatchewan and myself in urging this government to take action to remove a discrimination which may affect the early development of further potash operations in Saskatchewan. We are resolved in our aim and it is to arouse this government and arouse its interest in this matter so that they will take some action.

As I say, I know the difficulty but certainly it is not right that companies producing the same product in the same area from similar ore bodies should suffer discrimination because of tax policies and be placed at a disadvantage. These bodies of potash are there at great depth. There is interest in developing them. The capital is there but the taxation policy now in existence may cause a delay, the premier says, of two years in their exploitation. I do not think we can afford such a delay, nor can the people of Canada. As I say, I quoted the premier of Saskatchewan correctly, as I understood it at the time, as saying the policy was stupid and shortsighted. He has denied using the word stupid. I accept and apologize for having attributed it to him. In the *Leader-Post* of October 7 the premier of Saskatchewan—and we are not having a quarrel about this and I am not trying to argue whether he said it or not—denies saying that Gordon was stupid, according to the headline.

[Mr. More.]

I did not say that either; I said that I understood the premier to say that the policies were stupid. I think this headline is wrong, because as I understand it the premier was referring to the policies also and not to the individual who occupies the office of Minister of Finance. I point this out, Mr. Chairman, realizing the impact of new industries of this size and this kind of investment on the economy of my province, and Canada as a whole in the years ahead—and it can be in the immediate years ahead.

All I wish to do at this time is urge the minister to impress upon his colleagues the Minister of Finance and the Minister of Industry—he has a great, new department of highly paid experts—to work on this problem and remove this discrimination. The Minister of National Revenue should also get at this problem, and get at it right away, because there is just no reason that we can condone for having a taxation policy continued, now that the solution mining process has been proven successful and is in operation; a taxation policy that discriminates, that may stall huge capital investment that will provide a large number of needed jobs within the next few years. This type of policy will not be condoned by the people of my province, and I certainly believe they would have the sympathy of the people of Canada.

I regret having directed my question to the Minister of Finance using words I alleged had been made by the premier of Saskatchewan, which he now denies and which denial I accept. I say nothing more in that regard. My purpose, however, is the same; I wish to ask the minister to use his good offices to urge his colleagues to find a solution to the problem that may hinder the development of which I have spoken. We need it; we do not want it to be stalled, and the matter has real urgency.

Mr. Alkenbrack: Mr. Chairman, in taking part in the discussion on item 1 of the estimates of the Department of Trade and Commerce this evening I have two or three points of criticism of the system as it is today, and

the administration of the department. I will not be too severe in my criticism this evening, I congratulate the Minister of Trade and Commerce upon bringing forth his estimates, although I do not always agree with him or his colleague the Minister of Finance with whom he must at all times maintain close liaison.

Our trade and commerce, broadly speaking, cannot prosper if we employ a narrow outlook in the legislation concerning our secondary manufacturing industries. I point out to the minister a gross injustice that has been perpetrated on the area which I represent, the riding of Prince Edward-Lennox mainly, although it goes beyond that. In 1954 the Del Monte company of California was permitted to buy Canadian Canners, which was our largest secondary manufacturing industry in Prince Edward county, manufacturing agricultural products into food products. The Del Monte company of California bought out Canadian Canners in our area and, sad to say, immediately closed up all the factories, and to the agreements in connection with those factories which they sold to Canadian individuals and Canadian companies they attached a solemn clause right in the deed that they would no longer be used for canning agricultural products. In other words, today we still have at least one of these good canning factories that could be started up at very short notice to continue to serve the area as it did before 1954; but according to the agreement, that hard headed bargain made by the modern Sam Slick across the border, that factory can no longer be used to can tomatoes, peas and corn, the products of Prince Edward county. I deplore the situation that was permitted by a Liberal administration back in the 1950's and I recommend to the minister that he use his powers to correct it. Any agreement of that kind should be automatically voided in connection with these properties. I have no doubt that in other industries the same thing has occurred. It may have occurred in our lumbering industry, in our paper making industry and in other forms of secondary manufacturing.

Only about a week ago I had a strong, forceful but reasonable complaint from a citizen of Prince Edward county who owns one of these factories but cannot use it for the purpose for which it was built. Second, Mr. Chairman, I have a complaint regarding the Corporations and Labour Unions Returns Act, over which the minister has jurisdiction. This complaint is in the form of a letter from a prominent Canadian manufacturer. The letter is dated August 13, 1964, and I wish to quote from it as follows:

> Under normal conditions I do not sign cheques on the current account except when they exceed a certain figure.

The letter is signed by the vice president of this company. It continues:

> However, I had this opportunity today when our secretary treasurer was on a short vacation. Amongst the cheques to which I affixed my signature today was one in the amount of—

—almost $600, for—

> —payment of union dues for July 1964—district 50, united mine workers of America, to be sent directly to 1435 Kay street N.W., Washington, D.C.
>
> It seems incredible to the undersigned that our government would stand by and let moneys for union dues go out of the country. This must be an average monthly payment that we're making on behalf of the union and when you multiply this by thousands of manufacturers in our country, the amount going across the border must be fantastic.

Mr. Regan: Mr. Chairman, will the hon. member permit a question?

Mr. Alkenbrack: You will have a chance to make your remarks after I have finished. The letter then continues as follows:

> Again, when it contributes to the elegant living of such union leaders as we read about in newspapers, the situation is that much less digestible.
>
> Surely some legal aspect of this situation could demand that the dues be held in Canada for the use of our own citizens. At least a great proportion of it would be spent here.
>
> I am sure this is just a "cry in the wilderness", but I could not help but comment on the situation when it was drawn to my attention in the manner as outlined above.

Mr. Patterson: Mr. Chairman, it is ten o'clock.

Mr. Alkenbrack: I think we should have unions of a national and Canadian nature controlled in Canada and not by union officials of the republic to the south.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I should like to ask about the business for tomorrow, and for a forecast of business for next week.

Mr. MacNaught: Mr. Speaker, tomorrow we will continue our discussion on estimates of the Department of Trade and Commerce. However, if that discussion is not concluded by one o'clock it will have to be interupted, because the minister will not be available after that time. We will then consider the votes relating to the Central Mortgage and Housing Corporation, under the jurisdiction of the Postmaster General. After that we

will take up the estimates of the Department of Veterans Affairs, followed by the estimates of the Department of National Revenue.

I regret, Mr. Speaker, that I cannot make any forecast at this time for the business on Monday.

PROCEEDINGS ON ADJOURNMENT MOTION

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

WATER RESOURCES—SPEECH BY U.S. OFFICIAL TO ALASKA CHAMBER OF COMMERCE

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, what a good many Canadians consider as a tragic surrender of Canada's national and historic right, the surrender of vast quantities of Canadian natural resources, and the unnecessary invasion on civil and property rights of a good many Canadians under the terms of the Columbia river treaty, has alerted many to the need for a Canadian inspired national water management policy which provides for a determination of the future requirements of water in Canada. It is because of this concern and because of a speech made by a certain gentleman in Fairbanks, Alaska, that on Tuesday last I asked the Minister of Northern Affairs and National Resources the following question:

> Has the minister's attention been directed to the report of a speech made by Mr. Gus Norwood, executive secretary of the United States northwestern public power association, to the Alaska chamber of commerce? If so, would the minister inform the house of his reaction to these proposals and projections and their effect on the future development of Canadian water resources?

It is for the particular reasons I have mentioned that we are watching very closely these speeches made by United States authorities, and particularly those of the United States army engineers who, as everyone who is aware of the history of the development of the Columbia river treaty knows, got their way almost completely in so far as the terms of that treaty are concerned.

The speech I have reference to was made in Fairbanks, Alaska, and I am going to quote a few paragraphs from it before the parliamentary secretary to the minister replies.

> An American expert says the west coast of North America is entering a golden age of hydroelectric power and long distance power transmission development.

A golden age from their point of view.

> Gus Norwood, executive secretary of the northwest public power association, bases his prediction on almost $5 billion worth of construction planned or under way. In a speech to the Alaska chamber of commerce he said the total is composed of: $700 million in electric interties between the United States Pacific northwest and the southwestern states; $700 million in developments under the Columbia river treaty between the U.S. and Canada; $800 million Peace River development in northern British Columbia; $2,500 million in hydro projects in the U.S. Pacific northwest.

Then it continues:

> "This hydro and intertie program is shrinking the whole west coast of North America," Norwood said. "From Rampart dam on the Yukon river to Los Angeles is 2,700 miles. By the end of 1968 there will be in operation 1,800 miles of 500,000 volt transmission lines from Fort St. John, B.C., on the Peace river, to Los Angeles."

He continued:

> The advent of extra high voltage transmissions "opened the door of opportunity for the Rampart dam and other projects on the Yukon river and many other great rivers in Alaska and Canada."

The article continues:

> The interties are part of a vast grid planned by the U.S. government that would link 11 states. Four extra high voltage lines would carry surplus power from the Pacific northwest states to California and Arizona. Examining the "problems" of power surplus, Norwood maintained that the interties permit "building hydro in advance of local loads and selling the surplus in the southwest."

That is the southwestern United States, Mr. Speaker.

> "The availability of the huge Pacific southwest market assures any west coast dam building agency of an outlet for surplus power, especially in that critical period when power comes on the line and debt service must be paid, but the local power market takes years to load the project."

I presume in that instance he is referring to the Canadian market to a considerable extent. I was also very interested in a letter that appeared in the New York *Times* of Sunday, October 4, written by a gentleman by the name of Daniel Allan, of Brooklyn. He deals with the army project for an Alaska dam and says:

> It is no surprise that the army corps of engineers wants to build a dam where it would do the least good, effect the most damage and cost the most money. That body has consistently demonstrated a singularly unique immunity to reason and a callous disregard for the beauties of nature.

Then he goes on to deal with the Rampart dam proposal in Alaska which will affect the development of Canadian water resources on the Yukon river. He says:

> Not content with this, the dam builders have moved on to bigger but not better things, in this case intending to surpass in Alaska their dubious accomplishment in Colorado. Such shameful waste is more characteristic of the 19th century than the 20th.

I see my time is nearly expired, Mr. Speaker. I have asked a question, made

reference to the report of the speech by Mr. Norwood and mentioned the apparent concern of a United States citizen who is aware of the projects that the United States army corps of engineers has under consideration.

In conclusion I want to ask the minister an additional question. Will he tell the house what the government is doing to protect our remaining water resources in Canada?

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member drew the attention of the house to some United States comment seeking a continental water policy. I can assure him at the outset, and I assure the house, that the Minister of Northern Affairs and National Resources is thinking primarily in terms of a Canadian water management policy.

On September 28, in answer to a question posed by the hon. member, which is found at page 8487 of *Hansard*, on the same subject, the minister stated in his reply:

> At the present time the building of that dam—

That is the Rampart dam.

> —and the transmission of power through Canada would not be in the interests of Canada. Moreover, the economic considerations involved in the transmission of power for well over 1,000 miles as well as the fact that transmission would have to take place entirely through Canada would, I think, place us in a very strategic position.

This reply, which was given by the minister to the hon. member on that occasion, indicates I believe the minister's reaction to the proposals and projections about which the hon. member was worried this evening. It indicates also his views on their effect on future development of Canadian water resources. I can only say to him that Mr. Norwood's speech before the Alaska chamber of commerce provides no additional substantive information upon which I could make comment this evening. All it does is speculate hopefully on the possibility of this development taking place some time in the near future from the United States point of view. This is all I can say in answer to the hon. member's comments this evening.

NATIONAL PARKS—NOVA SCOTIA—TRANSFER OF LAND FOR SECOND PARK

Mr. Gerald A. Regan (Halifax): Mr. Speaker, despite the undoubted preoccupation of members of the house with the elections that are taking place in Great Britain and the changes in the Soviet union today, I should like to turn the attention of the house to the question of the new national park in western Nova Scotia. On Tuesday I asked a question of the minister of northern affairs which reads in part as follows:

> Inasmuch as preparation of the new national park in western Nova Scotia appears to be behind schedule, can the minister indicate whether the province of Nova Scotia has transferred the land involved to the federal government so that construction can be started? If not, can the minister say what is delaying the government of Nova Scotia in this matter?

I think it goes without saying that this new national park in western Nova Scotia is of great importance to the development of the tourist industry in that part of the province. In recent years the tourist industry has become a very important part of the economy of Nova Scotia. It is important also to the nation, of course, because any United States tourist dollars that come into the country as a result of the visit of tourists from New England to Nova Scotia are new dollars. They are new money and they certainly help us with our balance of payment problem. At the present time most of the tourists who come to Nova Scotia, other than by the *Bluenose* from Bar Harbor to Yarmouth, do not visit western Nova Scotia. Those who come on the *Bluenose* obviously do. I feel that the presence of a well developed national park in the western part of the province could result in many of those who come around by Amherst, and into the province that way, visiting the western part of the province. This would result in a lengthier stay by visitors and result in more money being left in the province by those tourists. This is desirable.

In view of the fact it is now well over a year since the agreement was concluded between Nova Scotia and the federal government for the establishment of this second national park, and according to the statements that were made by both levels of government at that time, there was an indication that the land necessary would be passed over to the federal government by the province much earlier than this, so construction of the national park could proceed, I ask the minister why this has not happened. I would ask him if he knows whether the province has acquired all the land involved and, if not, how soon it will be in a position to transfer the land it does hold.

I would point out to the house that a very large proportion of the land which will comprise this new national park was provincially crown owned, and a large part was owned by the Mersey Paper Company. With regard to those lands there should not be any holdup or delay. If there has been some delay on the

part of the province I would be very eager to hear the explanation for it, especially concerning delay on individual plots of land. I would urge the department to work out an arrangement with the province of Nova Scotia whereby the vast amount of land already acquired could be transferred to the national government so that work on that part at least could begin.

It is very important that we have this new national park in operation and fully equipped by 1967. That will be a year in which there will be a great inflow of American tourists to this country, and it is important that we have the park well advanced at that time.

I might also say I am pleased to see that the original plan has been expanded so as to include a physically separated area along the coast in Queens county, which will provide beachland as part of the park. This is something to be commended, but if there is any delay in the acquisition of land in that area I would urge the minister to work out an agreement with the province whereby construction in other areas of the park could begin as quickly as possible.

If the province of Nova Scotia has not acquired all the land, then I hope it will take action to have its agents step up the pace because I see no reason, after this passage of time, why all the land should not already have been acquired by the province.

Mr. John N. Turner (Parliamentary Secretary to Minister of Northern Affairs and National Resources): Mr. Speaker, I want to echo the enthusiastic applause which greeted the rising of the hon. member for Halifax (Mr. Regan) this evening. I am sure it was a tribute by his fellow members to his industry in representing the city of Halifax and the province of Nova Scotia in the courageous and conscientious way he does.

In answer to his query I must say that the province of Nova Scotia has not yet transferred to Canada, free of encumbrances, title to the lands which it agreed should form the national park in that province. By way of explanation I might say that where the title to the land lay with the crown in right of the province there was, of course, no difficulty. However, clear title has still to be obtained from private individuals and concerns in respect to some of the potential park area before that land can be transferred outright to the crown in right of Canada. I understand that the province is still proceeding with such acquisition and that this acquisition involves negotiation with the owners.

I shall inform the minister of the constructive suggestion made by the hon. member, that where there has already been a substantial block of land assembled by the province of Nova Scotia it should be deeded immediately to the Canadian government so that plans for the park may proceed. Though the land has not yet been transferred to the federal government, the national parks branch officers have been on site, taking surveys of the land and preparing development plans so that the federal government will be ready, immediately upon transfer, to initiate the park immediately, so as to satisfy, I hope, the legitimate ambitions of the hon. member to have this park ready for the people of the country, as an added glory to the province of Nova Scotia, by the anniversary of confederation.

Motion agreed to and the house adjourned at 10.22 p.m.

END OF VOLUME VIII